

N.C. Supreme Court candidates air differences/2



CAROLINA JOURNAL

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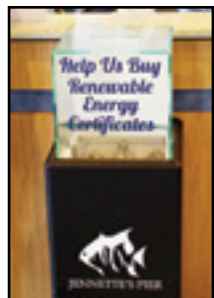
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DENR Ends 'Misleading' Wind-Power Scheme

'Green' campaign had urged aquarium visitors to buy wind offsets from Troy, N.Y., broker

BY DON CARRINGTON
Executive Editor

The North Carolina Department of Environment and Natural Resources has ended a misleading advocacy campaign at the state's aquariums. The campaign asked visitors to help each aquarium facility "go green" by making a financial contribution that would allow each facility eventually to shift to electricity generated solely from wind power.



A collection box for renewable energy contributions at Jennette's Pier in Nags Head.

The campaign informed visitors that fossil fuels are responsible for global warming and encouraged them to help expand the use of power from "renewable" sources by purchasing "renewable energy certificates," which have been pitched as a way to offset electricity generation from fossil fuels.

Greenlight Energy

But the money collected through the project went to Greenlight Energy Group, a Troy, N.Y.-based broker that purchased the RECs from renewable energy suppliers nationwide.

Aquarium visitors who made financial contributions to the programs purchased nothing more

RALEIGH



On a recent weekend, a young girl tries to make sense of the renewable energy program signs at the N.C. Aquarium at Pine Knoll Shores. (CJ photo by Don Carrington)

than "certificates" representing wind power that had been generated in some other location and would not reduce the traditional energy the aquariums paid for in their utility bills. Though the program ended Labor Day, in mid-September the broker still was ac-

cepting payments from visitors who sent a text message to the program's site.

DENR: misleading 'messaging'

DENR officials told *Carolina Journal* the campaign was scheduled to end after Labor Day, but they also acknowledged the program's "messaging" was misleading and that it failed to generate significant financial support from the public. The campaign was funded by a \$16,000 grant from The Ocean Project, a Rhode Island-based nonprofit organization.

"It wasn't our money, so there was not a thorough review effort," said DENR Deputy Secretary Don van der Vaart. "I think this project was at odds with the mission for the aquariums. I don't think it was well thought through."

DENR Secretary John Skvarla and van der Vaart said they were unaware of the advocacy program until they saw a column at *Carolina Journal Online* by John Locke Foundation Vice President Roy Cordato, who raised questions about the campaign after a visit to the North Carolina Aquarium at Fort Fisher.



DENR Deputy Secretary Don van der Vaart

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Cigar Dealers Say FDA Rules Threaten Business

Handmade, premium cigars would be treated like cigarettes

BY DAN WAY
Associate Editor

RALEIGH

If Food and Drug Administration regulators adopt new rules placing premium, handmade cigars under the jurisdiction of a law originally passed to regulate cigarettes, sellers of the premium cigars say the changes could put them out of business.

The federal agency is considering adding premium cigars, as well as elec-



Premium, handmade cigars like these at JR Cigar in Burlington would be targeted by the new rules. (CJ photo by Dan Way)

tronic cigarettes, pipe tobacco, certain dissolvable tobacco products that are not "smokeless tobacco," nicotine gels, and water pipe tobacco to the Family Tobacco Prevention and Control Act of 2009.

This has the makers and sellers of premium cigars in North Carolina concerned.

Premium, handmade cigars, unlike cigarettes and mass-produced stogies made by machine, are 100 percent tobacco and do not contain the additives that are the chief concern of the FDA, though some blends may add flavoring. Cigarettes, however, may have hundreds of additives.

Tom Kakadelis, who owns two premium cigar stores in Charlotte, was hoping to expand his small, handmade cigar business, but if the proposed new regulations apply to premium cigars they could become too expensive to carry in his shop, causing him, and

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Supreme Court Candidates Air Differences at Forum

Lewis, candidate for chief justice, a surprise no-show

By BARRY SMITH
Associate Editor

In November, voters will elect four of the seven members of the North Carolina Supreme Court. Technically, the judicial elections are non-partisan, but in practice, the contests typically pit a Republican against a Democrat. That's the case in three of the four races, with only the contest between Chief Justice Mark Martin and Superior Court Judge Ola Lewis matching two Republicans against one another.

Seven of the eight candidates participated in a Sept. 17 forum in Raleigh sponsored by the Triangle Lawyers chapter of the Federalist Society and moderated by Carolina Journal Radio co-host Donna Martinez. Lewis said, a couple of hours before the event, she was unable to attend.

The court currently comprises five Republican justices — Martin, Robert Edmunds, Barbara Jackson, Paul Newby, and Robert N. Hunter Jr. — and two Democrats — Robin Hudson and Cheri Beasley. This year, the Martin, Hunter, Hudson, and Beasley seats are being contested, making it possible that either the court could flip to Democratic control or Republicans could solidify their majority.

The candidates used the forum as an opportunity to distinguish themselves from their opponents. Experience — whether as judges, litigators, or both — was a common theme.



Robert N. Hunter Jr.



Sam J. Ervin IV

Hunter-Ervin

Hunter and his Democratic challenger, Court of Appeals Judge Sam J. Ervin IV, are running for a full term on the high court. Gov. Pat McCrory selected Hunter to fill the vacancy created on the court when former Chief Justice Sarah Parker reached the mandatory retirement age and McCrory elevated then-Associate Justice Martin to chief justice.

"I'm more experienced; I'm older than he is," Hunter joked when asked

what separates the two contenders.

"Well, I'll plead guilty to being a bit younger," Ervin responded.

Both candidates were elected to the Court of Appeals in 2008. During the forum and at campaign events, they have referred to each other as colleagues and friends.

Hunter practiced and taught law for more than 30 years before his election to the Court of Appeals. Ervin previously served on the N.C. Utilities Commission.

When asked about his judicial philosophy, Hunter said he believes it's important for a justice to be fair. He made a biblical reference to the scribes and Pharisees, who were rigid followers of the law but had no heart. "Everybody understands what fairness is, fairness in a given situation," Hunter said. "People know intuitively what fairness is in any one given factual situation."

Ervin urged caution, saying a justice needs to be careful in defining fairness for the purposes of operating a court. He said it's not his understanding that the job of an appellate judge is to look at the facts and come up with an idea of what is "fair."

"If we go down that road, we really don't have a society of law," Ervin said, but instead it is run on the "subjective opinion" of the judge.



Robin Hudson



Eric Levinson

Hudson-Levinson

Incumbent Hudson said she has handled nearly every kind of case the Supreme Court sees, either as a lawyer, or a judge, or both. "I'm the only one in this race who has actually been serving on the Supreme Court for the last eight years and have spent a lot of time practicing before the Supreme Court as a lawyer," Hudson said. Before joining the Supreme Court, Hudson served five years on the Court of Appeals.

Her opponent, Republican Superior Court Judge Eric Levinson, spoke of his experience at the trial court level.

"I'm the individual in the race who has actually sentenced a person to prison, who has actually presided over a jury trial, who has actually de-

termined whether to terminate the parental rights of a parent or whether to unify that child with a parent, exercised discretion inside the trial courtroom, followed and administered the rules of evidence in a trial court as a judge," Levinson said.

He is a former District Court judge who was elected in 2002 to the state Court of Appeals. In 2007, he gave up his seat on the appeals court when the U.S. Department of Justice named him as an adviser to officials in Iraq and Afghanistan setting up judicial systems.

"Collaboration is a very key component of the process," Levinson said, noting that on the appellate courts, more than one jurist would be deciding cases. "There is a reason why we have experienced jurists examining the facts of the law in every case," he said. "It's important to listen, to collaborate with an eye possibly under the leadership of the chief justice."

Levinson said that unanimity at the expense of everything else would not be appropriate.

Hudson said that there are some issues where it's very important that the court send a strong, unanimous statement. "There are also times when the court like the public in North Carolina and the United States in general is divided," she said. "It is also important that differences of opinion be clearly articulated for the people to see."

Both Levinson and Hudson decried an independent group's ad aired during this year's primary campaign that attacked a ruling Hudson made in a case involving a convicted child molester. The ad claimed her opinion was too lenient.

Hudson said most people agree that the ad was "outrageous" and "scurrilous."

Levinson said the ad was unfair and that he hoped that if independent groups spent money on the campaign, they would air positive ads.

Beasley-Robinson



Cheri Beasley



Mike Robinson

Continued as "Supreme," Page 3

The court currently has five Republican justices and two Democrats

Supreme Court Candidates Air Differences at Federalist Society Forum

Continued from Page 2

Beasley, a Democrat, faces Republican attorney Mike Robinson. Former Gov. Bev Perdue named Beasley to the Supreme Court in December 2012.

"Judicial experience is important," Beasley said. "I do have a myriad of experience." Beasley also has been a judge on the Court of Appeals and in District Court.

Robinson said he has spent 34 years in a practice primarily representing business owners, and that experience would bring some diversity of knowledge and expertise to the state's highest court.

"We don't have a one-size-fits-all Supreme Court," Robinson said.

Moderator Martinez asked Beasley about a quote from the *Carteret County News-Times* in which she said that there was "confusion by design" about the state's law — which will take effect in the 2016 election cycle — requiring voters to present a state-approved identification card at the polls.

She said her comment related to a rule put in effect this year requiring local election officials to ask voters at polling places if they have a photo identification. The photo ID requirement will not be enforced until 2016,

but state election officials implemented the practice to prepare voters for the 2016 election cycle.

Beasley said she has not decided whether to recuse herself from deliberations on the voter ID law should a challenge to its constitutionality reach the state Supreme Court.

Robinson noted that while he has not had any judicial experience, being involved in litigation with other parties would help him on the court. He said the collaboration necessary to work with other parties caused him to act "in a collegial fashion" much like the justices are expected to follow.

Martin-Lewis



Mark Martin



Ola Lewis

Lewis' decision not to show at the forum surprised Federalist Society

representatives, who said she had accepted an invitation to participate but called at 4:47 p.m. that afternoon to say a scheduling conflict prevented her from attending.

Meanwhile, Martin echoed the other candidates, noting the importance of experience to be an effective jurist. Martin, who is running for his third eight-year term on the Supreme Court, said the state's top judicial post is no place for a newcomer.

"I have become intimately familiar in the operations of the office of the chief justice, and would like to use that prior knowledge and experience to strengthen our justice system," Martin said. Martin cited his experience on both the N.C. Supreme Court and Court of Appeals, where he served from 1994 until his election to the high court in 1998. In his role as chief justice, he is charged with overseeing the operations of the court system in all 100 counties.

McCrory appointed Martin chief justice effective Sept. 1 when Parker retired. Lewis and others have criticized the appointment, claiming it amounted to an endorsement by the governor and gave Martin an unfair advantage of incumbency. Martin answered the critics by noting it has become a tradi-

tion for the governor to pick the senior associate justice for the chief justice post if a vacancy arises.

Martin said he wants to appoint a "blue-ribbon panel" to examine the state's court system to see where improvements can be found.

Martin notes that North Carolina had the nation's first state supreme court to allow electronic filing of court documents, but the state now lags behind others in the use of technology and other innovations. He said more funding would be needed to catch up, and members of the courts would need to make their case to the General Assembly.

"The court system exists for the litigants, for the people," Martin said.

While Lewis did not attend the event, she has served as a Superior Court judge since 2000, was a District Court judge from 1993-2000, and an assistant district attorney in the 13th District (Brunswick, Bladen, and Columbus counties) from 1991-93.

She and Martin participated in a debate aired on UNC-TV that can be viewed at <http://bit.ly/1DxprN7>.

A video of the Federalist Society forum is available at <http://bit.ly/1rk8mjs>. CJ



The John William
POPE CENTER

FOR HIGHER EDUCATION POLICY

Seeking an executive director

The John W. Pope Center for Higher Education Policy in Raleigh, North Carolina, is seeking an executive director to continue its decade of work in the field of higher education reform.

The Pope Center is a 501(c)(3) public charity dedicated to the pursuit of excellence in college and university education, especially in North Carolina. We recognize that public and private institutions of higher education are challenged in the pursuit of their traditional goals of preparing young Americans for leadership, citizenship, and personal achievement. The Pope Center works to remedy that by creating awareness of operational complexities of educational institutions and proposing alternatives through written articles, reports, lectures, conferences, and personal relationships with elected officials, members of college and university boards, administrators, educators, and other policymakers.

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Contact Jane S. Shaw, President, The John William Pope Center for Higher Education Policy, 353 E. Six Forks Rd #200, Raleigh, NC 27609

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



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



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

State Briefs

• Gov. Pat McCrory and Transportation Secretary Tony Tata went on a statewide tour, touting the administration's "25-Year Vision" for transportation spending and construction. McCrory's plan would entail more than \$1 billion in borrowing, primarily for projects in rural areas that are ready to begin construction within the next couple of years.

"We must have a well-connected, well-maintained, and well-funded transportation system in place for North Carolina to continue to thrive," Tata said in a press release. "This vision will provide a road map for long-term strategic investment that ensures we are making the most of our limited resources and proactively addressing the ever-growing demands on our state's transportation infrastructure over the next quarter century."

The program covers all regions of the state. The coastal area provisions include beach renourishment and bridge, inlet, and port renovation. The eastern area provisions include improving connections to Interstate 95 and Hampton Roads, Va., expanding access to military facilities, and enhancing freight movement.

The central area provisions focus on relieving congestion for commuters and cargo and expanding mass transit. The western area provisions highlight improving connections to interstate and intrastate corridors and improving industrial freight movement.

Statewide aspects of the plan include boosting broadband access, expanding maintenance of existing facilities, and adding passenger rail, bicycle lanes, and pedestrian corridors.

State Treasurer Janet Cowell says the state could borrow as much as \$1.2 billion for transportation projects, but she urged caution from the General Assembly and the McCrory administration.

"There are various options available to finance infrastructure projects; however, we must choose a fiscally sound approach that does not endanger the state's AAA bond rating," Cowell said in a news release. "I look forward to getting more details on this proposal."

The 25-year plan expands on the 2013 Strategic Transportation Investments law, requiring transportation officials to direct funding to high-priority projects that are expected to be completed within a decade. *CJ*

McCrory: Industry Deal Could Cause Recall

By BARRY SMITH
Associate Editor

While Gov. Pat McCrory says he won't call the General Assembly back into session to push through an economic incentives package, he left the door open for calling lawmakers back to Raleigh if a big deal breaks.

"If a major job recruitment effort develops and it requires legislative support, I will bring lawmakers back to Raleigh," McCrory said in a video statement.

Commerce Secretary Sharon Decker recently pursued such a deal, spending four days in Tokyo on a trade mission attempting to recruit an automobile manufacturing facility to North Carolina. Decker, McCrory, and a host of key lawmakers are convinced that tax-funded incentives remain an essential tool for job creation in North Carolina.

Meanwhile, a legislative analysis shows that the state's liability for such programs already could top \$800 million, offering ammunition to those who argue against the incentives on fiscal and philosophical grounds.

The analysis finds the state's three top recruitment programs have promised as much as \$831.6 million for contracts already signed and commitments already made through 2027. The money represents potential payouts or tax credits from the state for the Job Development Incentive Grant, the One North Carolina Fund, and the Job Maintenance and Capital Development Fund.

The analysis was prepared by the General Assembly's Fiscal Research Division for Rep. Chris Millis, R-Pender, who questions whether the state should place such heavy obligations on future lawmakers and taxpayers.

"These are awards that have been distributed that require future appropriations by the General Assembly," Millis said. "That award is a binding document to the General Assembly, signed by the secretary of commerce and the attorney general."

The \$831.6 million represents the maximum amount obligated to companies that have taken advantage of the state economic incentives program. Often, the amounts are based on requirements that the companies meet certain performance goals, such as job creation numbers and the amount of money invested in North Carolina. Payouts could be lower if benchmarks aren't met.

Millis has both structural and philosophical objections to increasing tax funding for economic development incentives. Millis said the state should encourage economic development by creating an environment where jobs and business can grow, not by taking tax dollars and giving them to specific private businesses.

"I'm talking about it in a way of uniform taxation, of regulatory reform, education, and infrastructure," Millis said. He said for tax money to go toward constructing buildings for companies "crosses the line between public money into private." Millis added that a firewall is needed so that

public and private money don't get mixed up.

When government offers tax breaks for certain businesses as an incentive, it shifts the tax burden to others that don't get the incentives, Millis said. "You have all taxpayers paying money to subsidize the tax burden of that individual business," he said.

Sen. Bill Rabon, R-Brunswick, who co-chairs the Senate Finance Committee, said a lot of people agree with Millis' position philosophically. But he said that's far different from achieving economic development accomplishments.

"In the real world, if we're going to cut unemployment and attract real jobs, we're going to have to be competitive," Rabon said. He said North Carolina is transitioning its tax code to make it more competitive.

"Until we become competitive, we're going to have to swallow our philosophy a little bit," Rabon said.

Rabon said the General Assembly missed an opportunity

at the end of the legislative session when the House refused to approve an economic incentives package that would have given the governor and commerce secretary a "closing fund" to help secure more industrial recruitment.

"Very rarely do you have a piece of legislation that was as comprehensive as it was," Rabon said. "I think that was a mistake for the legislature, and I think I'll be proven right in the coming months."

Rabon said companies are looking to come into the state and not have their cash flow affected

by taxes. "They're going to take the best deal," he said. "We're sending our secretary of commerce to the table with no chips. The other states have a stack of chips."

The legislative fiscal research analysis on economic incentives obligations was prepared in late August. It shows most of the \$831.6 million obligations resting in the JDIG program.

JDIG provides grants to businesses based on a percentage of withholding taxes paid by new employees. The report shows that if all companies performed at maximum levels, the state could be obligated to pay \$753 million in JDIG incentives through 2027.

The state's maximum obligation for the One NC fund through 2018 is \$44 million. Companies receiving One NC grants can use the money to install or purchase equipment, make structural improvements to existing buildings or renovate them for expansion, or build or improve new or existing water, sewer, gas, or electric utility lines at existing buildings. The law requires local governments to match state grant amounts equally.

The state has a \$34.5 million obligation for the JMAC fund through 2018. The JMAC program is a discretionary incentive program offering annual grants to businesses in the state's less-prosperous counties. The grants are designed to encourage retention of high-paying, high-quality jobs and large-scale capital investment, and enlarge the overall tax base. *CJ*



N.C. State Prof Casts Shadow Over Solar Forum With Predictions

BY DAN WAY
Associate Editor

RALEIGH

John Morrison, chief operating officer of Strata Solar in Chapel Hill, lauded the brisk growth of sun-powered electricity in North Carolina at a Sept. 17 meeting of the North Carolina Energy Policy Council. His company has built solar farm and solar array projects across North Carolina with a total value, including labor and materials, of \$1 billion.

"The market is just going gangbusters," Morrison said. Strata Solar's investors "are asking us for more projects than we can build."

But N.C. State University professor Herbert Eckerlin says the sunny stories of solar energy's economic benefits are wildly exaggerated, while the higher costs and technological challenges are deliberately downplayed.

Higher electricity costs

"Due to solar power, the cost of electricity is going to increase for industry and residential" customers, hindering job creation, said Eckerlin, who described himself to the council as "a strong proponent of solar and renewable energy."

Eckerlin, a former official with Dominion Power in Virginia, designed and built the NCSU Solar House on the N.C. State campus, founded the North Carolina Solar Center, and is a member and former treasurer of the North Carolina Sustainable Energy Association, the statewide marketing arm of the renewable industry.

"We're creating millionaires — the investors who benefit from the tax breaks" offered by the state and federal governments, Eckerlin told the council. The way the deals are structured,

he said, citing a U.S. Department of Agriculture publication, "creates a scenario where very little or no developer cash is needed" to get rich.

'On the backs of taxpayers'

"What you're doing is supporting a government-created industry and putting it on the backs of the taxpayers, because the subsidies make it good for the investors with tax breaks, but somebody's got to make up for it," Eckerlin said.

"A solar developer has very little skin in the game," Eckerlin said. "I'm not saying the technology is not good and shouldn't be done, but exactly how we pay for it is important."

Morrison countered that "all sources of energy have incentives," so it's important not to focus on the incentives any one sector of the energy industry receives.

"What would the price of alternative energy have to be if you had no tax credit?" council member Frank Gorham asked.

It would be "hard to calculate that exactly," Morrison said.

Further, he said, an RTI/La Capra economic analysis determined that every \$1 spent on state tax credits for solar energy generates \$1.87 in return on investment.

There is a "really important economic opportunity" for landowners to

lease property to site solar farms, and the supply chain grows, he said. As an example, he cited a fence company that works on solar farms. It went from four to more than 40 employees and is now the fourth-largest fencing company in North Carolina.

But Eckerlin said landowners only receive "a pittance" for use of their land.

And in a review of the RTI/La Capra study, Beacon Hill Institute researchers concluded the results "are mismeasured and spurious. Orthodox cost-benefit analysis will not find anything like what the report's authors estimate," the reviewers said.

North Carolina's Renewable Energy Portfolio Standards require utilities to use ever-increasing volumes of renewable energy, reaching 12.5 percent of the electric mix by 2021. But the Beacon Hill analysis concluded most of the savings observed to date stem from mandated energy-efficiency programs in government buildings and building code requirements rather than the use of green energy itself.

'Clean energy' jobs

The North Carolina Sustainable Energy Association attempted to quantify the impact of nine clean energy sectors on the economies of North Carolina and neighboring states by determining the number of clean energy jobs created and the gross clean energy revenue generated.

Eckerlin said his review concluded the ratios of that data were \$194,000 in revenue per clean energy job created in North Carolina, \$268,000 in Georgia, and \$81,000 in Virginia.

"The numbers to me make no sense at all and cannot be taken seriously," he said, variously calling them "delusion," "bogus," and "absurd."

Yet that is the sort of data that is given to legislators and the public, "and they're in no position to make judgments on this," so they generally accept it at face value, Eckerlin said.

An independent party that has no vested interest in the outcome should conduct such surveys, he said.

"The thing that's most disturbing to me is the misinformation that's out there in the media," Eckerlin said. "I don't know if the media is in the tank, or they just are uninformed."

He bristled at media reports suggesting a 500-megawatt solar farm

could replace a nuclear power plant. The largest solar farm is only 377mw, and nuclear plants can be up to 5,000 mw.

"When [reports] talk about a solar farm powering 1,250 homes, and not a mention of intermittency in educating the public, we've got a problem," Eckerlin said. Intermittency means that solar power requires specific conditions — namely, full exposure to the sun — for panels to collect energy. This energy can be interrupted during cloudy days and rainy weather. Because solar power is not reliable, it requires backup systems, and utilities are forced into that role, Eckerlin said.

Redundancy hikes costs

Ratepayers, industrial/commercial customers, and taxpayers all pay more for the higher system and operating costs associated with the redundancy of dual power systems, he said.

Gary Freeman, director of renewable energy compliance and origination for Duke Energy, told the council that the utility is seeking to solve issues with integrating and operating the rising number of solar facilities on the Duke system. Solar power generation peaks too early in summer and too late in winter to meet peak customer demand, he said.

However, he said, Duke "supports a portfolio of cost-effective solar resources [that] will play an even more important part" in its electric generation fleet in the future.

Morrison believes solar power could be interconnected on the grid "in a very cost-effective way" just as nuclear power was linked up 50 years ago. He said that would require regulatory changes and revisions to current financial mechanisms that are a disincentive to both utilities and solar providers.

'Write new legislation'

Eckerlin said the council should consider several recommendations, including committing more research funding to solving the problem of intermittent solar power and spending less on solar farm incentives.

"Write new legislation on the solar farm process that makes it public information for all to see and understand. I struggle to get information. People have to tell me things in confidence," Eckerlin said. "That's crazy, but that's the way it is. Duke doesn't talk about it; John Morrison can't talk about it."

New legislation also is needed to shift the costs of solar projects from taxpayers to solar developers, he said. And an educational program should be launched to inform legislators, industrial leaders, the media, and the general public on the potential and limitations of clean energy technology. CJ



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JLF: Capital Gains Rate Cut Would Build Economic Momentum

BY CJ STAFF

RALEIGH

North Carolina can continue the positive economic momentum of its recent tax reforms by reducing or repealing the state's tax on capital gains. That's a key conclusion in a new John Locke Foundation Spotlight report.

"The sweeping tax reform package instituted in 2013 began the process of making North Carolina's tax system more efficient and more consistent with liberty," said report author Roy Cordato, JLF vice president for research and resident scholar. "A logical next step in the state's movement toward a truly efficient tax system would be to reduce the tax on capital gains with an eye toward eventually repealing it."

Even after lowering and flattening the state's personal income tax rate, lowering the corporate tax rate, and eliminating many special privileges in the tax code, North Carolina lawmakers still have work to do, Cordato said.

"The recent reforms have been good for the economy," he explained. "North Carolina has reduced the overall tax burden on its citizens, transferred more revenue from political control to more efficient private-sector allocation, and reduced the tax system's bias against saving, investment, and entrepreneurship. But important areas of the tax code still need reform."

The current system still contains special penalties for investment and entrepreneurship, Cordato said. "The capital gains tax offers a clear example of the negative bias, along with taxes on interest and dividends."

The most straightforward way to address the issue is to eliminate the tax on capital gains completely, Cordato



said. "While there are no U.S. states that do this now, a number of other places have taken that approach, including Belgium, New Zealand, and — not surprisingly — Hong Kong."

If scrapping the tax proves too tall a task politically, lawmakers could reduce the tax in a couple of different ways, Cordato said. "North Carolina could take the same approach as the federal government and tax capital gains at a lower rate than ordinary income," he said. "The federal capital gains tax rate is about half the rate for regular income. Using that model, North Carolina could have a differential rate for capital gains of about 2.9

percent."

Some states use a different approach, Cordato said. They exempt a certain amount of capital gains from taxation. "South Carolina allows taxpayers to reduce their capital gains by 44 percent before applying the tax, while Wisconsin allows for an exclusion of 30 percent, and other states use different exclusion amounts," he said. "By exempting part of the capital gains, you are in effect creating a differential tax rate for capital gains."

Whatever approach North Carolina takes, lawmakers should avoid creating a distinction between long-term and short-term capital gains, Cor-

dato said. "Some people advocate for a lower rate for long-term capital gains and a higher rate for short-term gains, but that amounts to nothing more than using the state's tax code for central planning of investment decisions."

There is nothing inherently better about long-term gains, Cordato said. "These kinds of decisions can be made efficiently only if they are based on the investor's entrepreneurial insights and actual market conditions," he said. "A tax code that tries to influence investment decisions in one direction or the other cannot improve upon this process. The fact that North Carolina's code already has biases of this nature built into its structure is a great reason for reform in the first place."

Cordato's report offers economic analysis of the penalty tied to a capital gains tax. "When returns on investment are taxed at the same rate as ordinary income, it amounts to double taxation," he said. "Capital gains taxes impose a second layer of taxation on equity investments — anything from stocks and bonds to a plot of land or a home or business. A second layer of taxation on equity investments amounts to a second layer of taxation on entrepreneurship."

Lawmakers considering the next round of tax reform ought to keep capital gains in mind, Cordato said. "Whatever the North Carolina legislature does, it has to decide to do something," he said. "The current approach is a relic from our old tax system. It is inconsistent with our state's new, economically more sensible approach to tax policy. Surely reform or even repeal of North Carolina's tax on capital gains is something that should be considered in the next legislative session." CJ

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Insurer: Obamacare Premiums About to Surge in N.C.

By DAN WAY
Associate Editor

A sizeable number of North Carolina residents are learning they are no longer eligible for Obamacare, and some health policy premiums could jump 60 percent within two years, an insurance official says.

Rufus Langley, an Apex insurance agent and state leader of the North Carolina Association of Health Underwriters, said Coventry Health Care of the Carolinas CEO Tracy Baker recently told his group that substantially higher consumer costs are anticipated.

"He can see in 2016 this thing shooting up anywhere from 30 to 60 percent in costs" as delayed taxes start to kick in this year and next year, with medical care costs still rising, Langley said Sept. 22 at a Raleigh panel discussion.

Health Purchasers and Consumers Together, an organization seeking expanded health care access, enhanced quality, and reduced costs, hosted the event.

Escalating costs

Langley said many of the small businesses his agency specializes in are giving up group insurance and sending employees to the subsidized exchange because of escalating costs.

While North Carolina has been touted by supporters of the Affordable Care Act, as Obamacare is formally known, as one of the nation's top success stories in recruiting uninsured people to sign up on the HealthCare.gov exchange, Langley sounded a sour note.

"Termination letters are going out [in September]," he said. "A fair amount [of consumers] didn't qualify"

for coverage, though he had no specific numbers. "There will be people who are going to be flushed out, and not eligible for subsidies, because they didn't provide the right information, or they didn't verify whether or not they were U.S. citizens," Langley said.

Some never paid their premiums, Langley said. "You've got to pay to stay."

Sign-ups questioned

North Carolina ranked fifth nationally in exchange marketplace enrollment, with 357,584 registrants, or about one-third of the eligible uninsured population. But, as with other states and nationally, questions have remained unanswered about how many of those were legitimate sign-ups.

Langley and Chris Conover, a research scholar at Duke University's Center for Health Policy and Inequalities Research, said of the 7.3 million people who purchased plans nationally, many will end up owing the IRS money at the end of the year.

That is because Obamacare requires participants to estimate their annual income at the beginning of the year. Subsidies are awarded based on those numbers. If an Obamacare participant earns more than expected, thus receiving a higher subsidy than allowed, the IRS could seize that overpayment at income tax return time.

"I would think it's probably going to be a minimum of 10 percent" of Obamacare participants who will fall

into that situation, Langley said.

"I would guess that the number is going to be in the millions," Conover said. "At least 1 million will end up having to pay the government back, and that's going to create a lot of chaos."

Most of the panel debate dealt with dueling views of the national health insurance landscape.

Conover advanced a proposal to replace Obamacare with a market-driven reform. Jonathan Kotch, a research professor at UNC-Chapel Hill's

Gillings School of Global Public Health, spoke as president of Health Care for All of North Carolina, which advocates a government single-payer national health insurance system.

"I disagree that single-payer requires that

health care delivery remain in private hands," Kotch said. "Some single-payer systems such as those in socialist countries utilize both public financing and public delivery of care."

His organization models its proposal after the Canadian medical care system, in which private providers negotiate reimbursement contracts with the federal government. Keeping delivery private challenges the claim that single-payer is socialized medicine, he said, though doctors and hospitals would be nonprofit providers.

"It is only the power of corporate interests that is preventing us from getting it right" in the United States, Kotch said. "They'll do whatever they can to maximize profit." He opposes individuals or companies profiting from the delivery of health care.

'Didn't go far enough'

While Kotch believes some elements of Obamacare are positive steps, he says it did not go far enough.

"The Affordable Care Act is a good example of how political compromise for its own sake can lead to a bad outcome," Kotch said. "The Affordable Care Act, while expanding access to care, is little more than a life preserver for insurance companies, which, if left to their own devices, probably would have cost themselves out of business."

Conover said the Canadian style price controls don't work. U.S. Medicare has had price controls for 50 years, and they haven't improved that program, he said. Instead, they led to the drain of available primary care physicians.

Medicare is a system with price controls "biased towards specialists," he said. By allowing politics to get in the way of business decisions, "it's not going to lead to an efficient allocation of resources. It's going to create all

sorts of distortions."

By fixing budgets and prices for providers, the Canadian government creates perverse incentives, Conover said. Hospitals fill beds with patients suffering minor ailments, allowing them to refuse treatment to more seriously ill patients that cost hospitals more.

A Rand Corporation study found that Canadians used more medical care than they needed, with 30 percent of "free care" wasted on unnecessary services, Conover said. Former Centers for Medicare and Medicaid Services CEO Don Berwick said about 30 percent of U.S. Medicare spending is similarly wasted.

Obamacare increases costs for the millennial generation, people in their 20s, by about 18 percent over their lifetime, Conover said, while using their higher payments to subsidize older people who typically have more income and wealth, and more health care needs. "It's a regressive tax."

Obamacare will divert tens of billions of dollars from Medicare "to fund a new entitlement, and that's going to jeopardize access to care for seniors, and it's also going to worsen Medicare's fiscal future," Conover said.

Low reimbursement rates

Because low government reimbursement rates have led many doctors to stop accepting Medicaid patients, "the probability of ending up in the emergency room is higher for Medicaid patients" than uninsured people, he said. Yet Obamacare wants to expand Medicaid by 30 percent. "That's crazy."

Obamacare will cover less than half of the nation's uninsured while adding \$2 trillion to the national debt in its first two decades, and \$6.2 trillion over a longer period, Conover said. It will cost 2.5 million jobs, and 10 million workers will be switched from full-time to part-time status, according to projections by the nonpartisan Congressional Budget Office.

Conover supports a system of universal catastrophic coverage with an actuarial value covering 40 percent of expenses for the average individual, paid for with universal tax credits.

The remaining 60 percent of costs would be paid through individual purchases of a Roth Health Savings Account, similar to a Roth IRA. After-tax dollars would be put into an account from which funds would be drawn down as medical needs arise, with consumers making decisions on how to spend their money.

"Tens of millions of Americans have these accounts now. They work fine," Conover said. Low-income people would have more money to put into their health savings accounts to help pay for out-of-pocket expenses.

His proposal of universal private health coverage "works in Switzerland and in Singapore," he said. *CJ*

Many expected
to owe money
to the IRS
at the end of
the year

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COMMENTARY

When Snoozing Isn't Losing

For tired teens, it's a dream come true: Slapping the snooze button has lost its stigma. Once the luxury of the lazy loll-about, those extra minutes of morning ZZZ's are just what the doctor ordered. Alarmed by an "epidemic" of sleep-deprived adolescents, the nation's pediatricians are urging middle and high schools to delay the start of the school day.

When should schools ring the first bell? Not before 8:30 a.m., says a new statement from the American Academy of Pediatrics. Though seemingly simple, implementing this recommendation would require serious scheduling savvy. Most public high schools (86 percent) begin before 8:30 a.m., according to federal data; 10 percent, before 7:30 a.m.

Is pushing back the bell worth the effort? Abundant research says it is. Contrary to early risers' favorite maxim, "you snooze, you lose," the truth is this: Nobody wins when kids are tired all the time.

American teens are exhausted. According to a 2014 National Sleep Foundation survey, only 10 percent of 15- to 17-year-olds sleep the nine hours nightly that experts recommend; 56 percent sleep seven hours or less. Deficits pile up: The average adolescent exhibits the same levels of "pathological" sleepiness as a narcoleptic, pediatricians say.

Part of the problem is the perception that there is no problem. Parents underestimate kids' sleep needs, notes the AAP. Indeed, 83 percent of parents in the above survey described their teens' sleep quality as "good" or "excellent." Moreover, modern culture exalts productivity at the expense of rest — a value kids internalize. To the workaholic, not the sleeper, go the spoils.

School schedules and adolescent circadian rhythms also are out of sync. Biology doesn't favor the early bird tumbling out of the bed-nest if he's a teen; puberty has made him a night owl. Teens secrete melatonin later, take longer to fall asleep, and aren't ready for bed before 11 p.m., say pediatricians.

Meanwhile, research showcasing the dangers of adolescent

sleeplessness is accumulating. Sleep deprivation quadruples the risk of teens developing clinical depression, according to a recent University of Texas study. Chronically tired teens are more likely to be anxious and develop heart disease, diabetes, and obesity. Fatigue impairs academic performance and road safety.

Schools are experimenting with delayed start times, with encouraging results. A three-year University of Minnesota study of 9,000 teens found that students' grades, test scores, and attendance improved (and, generally, crash rates declined) when high schools started later. Other research links delayed start times with lower rates of depression.

In North Carolina, some school systems already meet pediatricians' recommendations. Mindful of adolescent sleep needs, the Chapel Hill-Carrboro City Schools have opened high schools at 8:45 a.m. for more than 15 years. More recently, school officials in Moore County have delayed high school start times to maximize bus efficiency and teens' sleep. Currently, classes start at 8:30 a.m. or later.

Such decisions are wise. But schools aren't the only audience for doctors' prescription. Teens sleep at home, not school, so parents are first responders in our adolescent sleep crisis.

Parents face an uphill battle: Many obligations (homework, sports) war against sleep. Fortunately, today's most pernicious sleep-stealer — a cell phone under the pillow — is easy to apprehend. More than four in five teens owning phones snooze with them "on or near the bed," says the Pew Foundation. Incoming texts set them up for intermittent sleep. While no school reform can remove a vibrating phone from a teen's bedroom, a parent surely can.

Schools and parents have heard a powerful wake-up call. Now it's up to us to ensure those wired, tired teens get more sleep. *cj*

Kristen Blair is a Chapel Hill-based education writer.



KRISTEN BLAIR

Court Frees Voucher Funds As NCAE Lawsuit Continues

By BARRY SMITH
Associate Editor

RALEIGH

The N.C. Court of Appeals has allowed nearly 1,900 students to get vouchers for the current school year while a lawsuit challenging the constitutionality of the fledgling opportunity scholarships is on appeal.

The appeals court on Sept. 19 issued an order putting on hold a separate ruling by Superior Court Judge Robert Hobgood halting all disbursements of funds for the program after he declared the Opportunity Scholarship Program unconstitutional.

The appeals court's order releases scholarship funding for 1,878 applicants who accepted opportunity scholarships as of Aug. 21. Those students will receive up to \$4,200 in vouchers from the state to pay toward their tuition at a private school.

The court left in effect the remainder of Hobgood's order on the distribution of any other funds. Both defenders and opponents of the scholarships have agreed to a schedule that would allow the appeals process to conclude before the start of the 2015-16 school year.

At the time of Hobgood's ruling, some private schools already had started their academic year. Despite the order, a number of parents sent their children anyway, believing that the appellate courts eventually would free up the money for vouchers.

One of those parents is Nikki Dunlap, whose 11-year-old son started school before Hobgood's order was issued. She drives her sixth-grader 25 miles daily from her home in Robbins to Faith Christian School in Ramseur.

"When Judge Hobgood did make his ruling, I went and spoke to the principal of the new school the next day," Dunlap said. "He said that Austin is allowed to stay because they really believe [the ruling is] going to get overturned."

Dunlap said the legal wrangling makes her situation a bit unnerving. "If they decide they are not going to have a scholarship program, then I'm worried about putting my son back in public school or possibly have to pay tuition [to the private school]," Dunlap said.

"He is doing great at this new school," Dunlap said. "He is getting the education and attention that he really needs. I'm just really praying and

hoping that it goes through."

Dunlap said her son has been diagnosed with autism. She was worried about sending him to a public middle school, afraid that he would be bullied. She also said the public schools were passing him from grade to grade even though he wasn't reading at grade level.

"He's in the sixth grade, but he is more at a first-grade reading level," Dunlap said. She said her son is receiving more individual attention at the new school.

The General Assembly approved the Opportunity Scholarship Program in 2013, and Gov. Pat McCrory signed it into law.

The scholarships are available to children from lower-income families who attended public schools the previous year and must be used to enroll in a private school in North Carolina.

After the program became law, the N.C. Association of Educators and the N.C. School Boards Association filed lawsuits challenging the program's constitutionality.

Reacting to the appeals court ruling, Darrell Allison, president of Parents for Educational Freedom in North Carolina, said:

"Today's historic decision allows nearly 2,000 students already enrolled in the Opportunity Scholarship Program to continue to attend their new schools with confidence and security for this school year," Allison said.

"Furthermore, we are grateful for the tenacity of the legal teams representing the General Assembly, as well as our partners at the Institute for Justice," Allison said. "Of course, the fight is not over. We will continue to push for an expedited answer on the merits of the case, which we believe will ultimately be upheld as constitutional."

The Institute for Justice, a public-interest law firm based in Arlington, Va., entered the case on behalf of two parents hoping to use opportunity scholarships to send their children to private schools.

In a statement, Rodney Ellis, president of the NCAE, praised the court for limiting funding to parents who had been awarded scholarships before Hobgood's order. "We are pleased that the court will not allow future taxpayer money to be used to fund private education while appeal of the case is pending," Ellis said. *cj*

Appeals Court reversed order from Hobgood that disbursement be halted

Education, Health Costs of Unaccompanied Minors Hard to Tally

BY DAN WAY
Associate Editor

RALEIGH
Most of the 1,648 unaccompanied minors relocated to North Carolina after they entered the United States illegally were released to host families in Mecklenburg, Durham, and Wake counties, raising health and safety concerns, as well as concerns about increased education costs to local governments.

Estimated additional costs to absorb the influx of unaccompanied minors, based on 2012-13 state, federal, and local per-pupil education and capital-expense records, would be more than \$7 million for the three counties alone: \$4.07 million in Mecklenburg County, \$1.79 million in Durham County, and \$1.51 million in Wake County.

Those numbers are based on average per-pupil costs, and do not include additional state and federal funding required for students from low-income families, students who are English language learners, and students who have disabilities. And with waves of unaccompanied minors still streaming into the country, it is uncertain how many more will be relocated to North Carolina.

\$20.8 million estimate

A just-released report from the Federation for American Immigration Reform says North Carolina statewide will pay \$20,861,808 in additional education costs this school year, ranking it No. 11 among the states, due to the influx of the unaccompanied minors. FAIR says the national cost will be \$761 million.

"We have had concern about the lack of a transparent plan from the

Obama administration to deal with this situation in a humanitarian and practical way," said Alexandra Lefebvre, spokeswoman at the N.C. Department of Health and Human Services, the state agency at the forefront of the situation.

"In the last few weeks, the federal government has provided some aggregate county-level data, more specifics about the background checks, and indicated where sponsors could retrieve medical records for unaccompanied alien children," Lefebvre said.

"This information, while piecemeal, has provided some additional assurances. We are still hoping to get additional information, such as how children are receiving appropriate follow-up care, or what is the Obama administration's plan to ensure the sponsors maintain appropriate contacts with our legal system," she said.

Federal Office of Refugee Resettlement data from Jan. 1 to Aug. 31 show 536 unaccompanied minors were transferred to Mecklenburg County, 188 to Wake County, and 180 to Durham County, and 55 to Wayne County.

The federal government did not say where the other 689 minors were sent. It releases county locations only when 50 or more children are sent there.

State Department of Public Instruction spokeswoman Vanessa Jeter said the state is not tracking where unaccompanied minors are being sent

to school. She said she is not aware of any coordination between the federal government and DPI, but did provide a U.S. Department of Education civil rights fact sheet for educating unaccompanied minors.

Ensuring children are being enrolled, that they have up-to-date immunizations, and that there are enough classroom and English-as-Second-Language teachers to handle the surge are local school district matters, she said.

School districts can request additional money from a contingency fund only if enrollment rises by 100 students or 2 percent of their population after the first month of school, Jeter said.

Response from schools

Durham Public Schools and Charlotte-Mecklenburg Schools officials did not respond to repeated requests for information about the unaccompanied minor program.

"We do everything we can to provide the appropriate number of teachers. We increased our enrollment by about 3,000 this year," including the unaccompanied minors, said Michael Yarbrough, Wake Public Schools spokesman.

The school district did not receive a master list of unaccompanied minors to ensure those of school age actually are enrolled, Yarbrough said. Nor is it keeping a tally of how many have enrolled.

That gap in information is among concerns raised by some congressmen and Numbers USA, an organization that seeks to minimize illegal immigration.

"There's no one checking. Once the child meets up with the parents or a guardian, there's no inquiry into the background or inquiry into the safety of the child," said Numbers USA spokesman Van Esser. "What Congress is worried about is what's happening to the children. Are they safe under these circumstances?"

"We're not involved in background checks or anything like that at this point," said Pam Walker, spokeswoman at the North Carolina Department of Public Safety. However, she acknowledged, "You don't want them to be vulnerable to any kind of crime such as ... human trafficking, or gang affiliation."

Wake Public Schools spokeswoman Lisa Luten demurred when asked if Wake shared concerns voiced in other parts of the country about unaccompanied minors' potential for communicable diseases or parasitic in-

fections. "That's a lot of assumptions about children from other countries," she said.

Jeter and Luten said unaccompanied minors must present a doctor's immunization records or shot records from immigration officials before being enrolled in school.

"I don't think there's been good documentation of what sort of inoculations they've gotten since they've come across," Esser said. "I think it's a fair question to wonder just what is being done."

CDC: Little risk posed

The Centers for Disease Control and Prevention "believes that the children arriving at U.S. borders pose little risk of spreading infectious diseases to the general public," said CDC spokeswoman Christine Pearson.

The majority of health issues reported by the Department of Homeland Security at the border stations are associated with the difficult journey, and include scabies, lice, rash illness, respiratory infections, and diarrhea, Pearson said.

Children from Central America often participate in childhood vaccination programs, similar to those in the United States, and many will have received vaccines, Pearson said.

"However, a few vaccines are not offered, have not been available for very long, or are not widely used, such as chicken pox, influenza, and pneumococcal vaccines," Pearson said. As a precaution the Office of Refugee Resettlement recommends children without vaccine documents receive necessary vaccinations, Pearson said.

No 'alarm bells'

"I can't think of too many infectious diseases that would cause alarm bells to ring" among unaccompanied minors, said Fred Fuller, an infectious disease specialist at N.C. State University.

Head lice and intestinal parasites might be a concern. "The stuff can spread like wildfire," Fuller said.

Transmission of measles, mumps, and rubella by unaccompanied minors might be of concern for North Carolina families who chose not to have their children immunized, he said.

Esser thinks President Obama actually is violating the 2008 human trafficking law by applying it to the unaccompanied minors influx.

"If the children have a parent or a guardian in the United States, that 2008 law doesn't apply," Esser said. Many of the minors are not unaccompanied, but are illegally entering with parents or relatives, he said.

"So what the president is doing in essence is hiding behind that 2008 law and not allowing them to be deported as they should be under United States law," Esser said.

More than 900
immigrant minors
have been sent
to Wake, Durham,
Meck counties

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Town and County

New Hanover dredging

New Hanover County commissioners have approved using room-occupancy tax revenues from unincorporated portions of the county as a stopgap method to pay for dredging Carolina Beach and Mason inlets. The move comes after the General Assembly amended a quirk in state law that had prevented the county from spending those revenues, reports the *Wilmington Star-News*.

"In the past there really has not been a dedicated funding source, and this, at least in the shortterm, is a way to deal with that challenge and to use those funds to address that need," Chairman Woody White said.

The hotel-motel tax in New Hanover County is 6 percent. State law determined how the money could be spent, with half the revenues collected in unincorporated portions of the county dedicated to beach renourishment. Since there are no beaches in the unincorporated parts of the county, tax revenues have been building up over time.

In July, the legislature passed a law changing how the funds could be used. By September, the county commission and Tourism Development Authority Board finalized an agreement under which \$1 million already collected and one third of future receipts would go toward inlet maintenance. Future collections would be used to promote tourism.

Buncombe employee buyout

Buncombe County is offering buyouts to nearly 10 percent of its employees. The move, though costly in the short run, will save money over time, reports the *Asheville Citizen-Times*.

The county offered a significant incentive for veteran employees to retire early: an extra year's pay and the option of continuing to buy health insurance through the county at the employee rate until age 65. A total of 131 county workers accepted the offer.

"Offering a year's salary over three years gave us the level of incentive to get the attention of the work force, and the payments did not require a large payout at one point," said Buncombe County Manager Wanda Greene.

Greene expects that 20 to 25 of the retiring employees would not be replaced. The buyout could save the county \$1 million in the long run. CJ

HOT Lane Proposed for I-77 North of Charlotte

State to enter into agreement with Spanish company

By BARRY SMITH
Associate Editor

RALEIGH

A 26-mile stretch of Interstate 77 in the Charlotte area soon could become the first highway in the state to use flexible toll pricing.

Plans call for the state Department of Transportation to enter into a public-private partnership agreement with Cintra Infraestructura, a company based in Madrid, Spain, that has experience building privately financed highways.

The contract between Cintra and DOT has been signed, with a "financial close" targeted by the end of the year, said Jen Thompson, a DOT spokeswoman. Construction is expected to start next spring or summer, she said.

"We want to have it substantially completed in 2018," Thompson said.

\$655 million price tag

The project spans the Brookshire Freeway interchange in Charlotte (Exit 11) to the N.C. 150 (Exit 36) interchange in Iredell County. The project's price tag is \$655 million, with the state's taxpayers footing \$88 million of the bill.

"Cintra is financing about \$230 million of their own equity," Thompson said. "They're going to get the rest financed" through borrowing.

The project would take the existing High Occupancy Vehicle lane and combine it with a newly constructed lane each way, converting them to High Occupancy and Toll lanes both northbound and southbound. Buses, motorcycles, and cars with at least three occupants would be allowed to travel free in the lanes.

Flexible tolls

Cars with one or two occupants could use the HOT lanes so long as the drivers pay a toll. Toll rates would vary, with higher rates during peak travel hours. The flexible tolls would be designed to keep traffic in the HOT lanes flowing freely.

Bob Poole, director of transportation studies at the Reason Foundation, said HOT lanes are operational or in planning and construction phases in several states. Existing projects are operating in Washington, D.C., the San Francisco Bay area, and the Dallas-Fort Worth area of Texas. Another is under construction in Colorado between Boulder and Denver, he said.

While supporters of the project say the state is getting a great deal out of the HOT lanes, opponents say the



NCDOT map

project is much larger and more expensive than it needs to be.

"The taxpayer is contributing all the remaining right of way for the private company's exclusive use for the next 50 years," said Kurt Naas, a spokesman for the HOT opposition group Widen I-77. "We see it as a very expensive undertaking, far more than it needs to be."

The business model relies on the private company keeping the general-purpose (nontolled) lanes congested, he said. "It relies on people being willing to pay to avoid congestion," Naas said.

Naas said the project would add lanes closer into downtown Charlotte

that aren't needed. He suggested that the state should add a general-purpose lane on the outer part of the city, where traffic is more congested, and forgo the extra lane closer to downtown.

"That would cost about \$100 million," Naas said. "It would end up costing the taxpayer less to build a general-purpose lane than it would the toll lane."

Naas notes that the contract between Cintra and DOT would allow the state to pay \$12 million more a year if Cintra doesn't collect enough toll revenues to meet its bond payment obligations. That money would be capped at \$75 million.

The backup money from the state is "intended to be for the ramp-up years," said Rodger Rochelle, technical services administrator at the N.C. Department of Commerce. Rochelle said it would not be in Cintra's interest to tap into state funds because doing so would mean the company's equity investors would not be getting a return on their investment. Rochelle said state funds would not kick in unless toll revenues fell 40 percent to 50 percent below projections.

'A good deal'

"To [build] 26 miles for \$88 million, that's a good deal," Thompson said.

Thompson said DOT didn't want to limit the scope of the project in the way Naas proposed. "We're thinking way into the future," Thompson said, adding that the smaller scope proposal would produce gridlock within five years.

Thompson said tolls would be collected through transponder technology, or by photo detection of license plates. "There will not be a toll booth anywhere," she said.

She said transponders that work for many other toll roads across the nation, including the Triangle Expressway, would work on the I-77 project.

Thompson also said the project offers choices to motorists. They'll be able to continue using general-purpose lanes for free, or HOT lanes for free if three or more passengers are in the car. They'll

also have the option of paying tolls if they don't have at least two additional passengers. Motorists using the HOT lanes also would reduce congestion in general-purpose lanes, she said.

"It's up to you to decide how much your time is worth to you," Thompson said. CJ

Opponents say the project is far larger and more expensive than needed

County Sales Tax Would Pay For Rockingham Sports Complex

BY DAN WAY
Associate Editor

RALEIGH

Residents in Richmond County are divided on whether to pass a Nov. 4 ballot referendum raising the county's sales tax rate by 0.25 cents to build a multi-use recreation complex for the city of Rockingham on 118 acres.

Increasing the tax from 6.75 percent to 7 percent is expected to raise between \$600,000 and \$700,000 annually to apply toward the initial phase of the sportsplex, which is expected to cost between \$10 million and \$12 million. No cost has been given for the other six phases.

City and county officials see the tax-funded sportsplex as an economic development project that would boost the county's quality of life. Hosting large-scale athletic tournaments also is expected to capture new sales tax revenues from tourists.

"Having the entire county fund a project that is spearheaded by the city is not a good use of the sales tax revenue," said Sarah Curry, director of fiscal policy studies at the John Locke Foundation.

"If the city needs more funding for economic development, there are multiple other sources of revenue for such projects, including occupancy taxes, special service districts, state and/or federal grants, revolving loans, etc.," Curry said.

County governments have an obligation to taxpayers to supply necessary government functions to their citizens, including schools, roads, jails, courts, police and fire, and social service programs, Curry said.

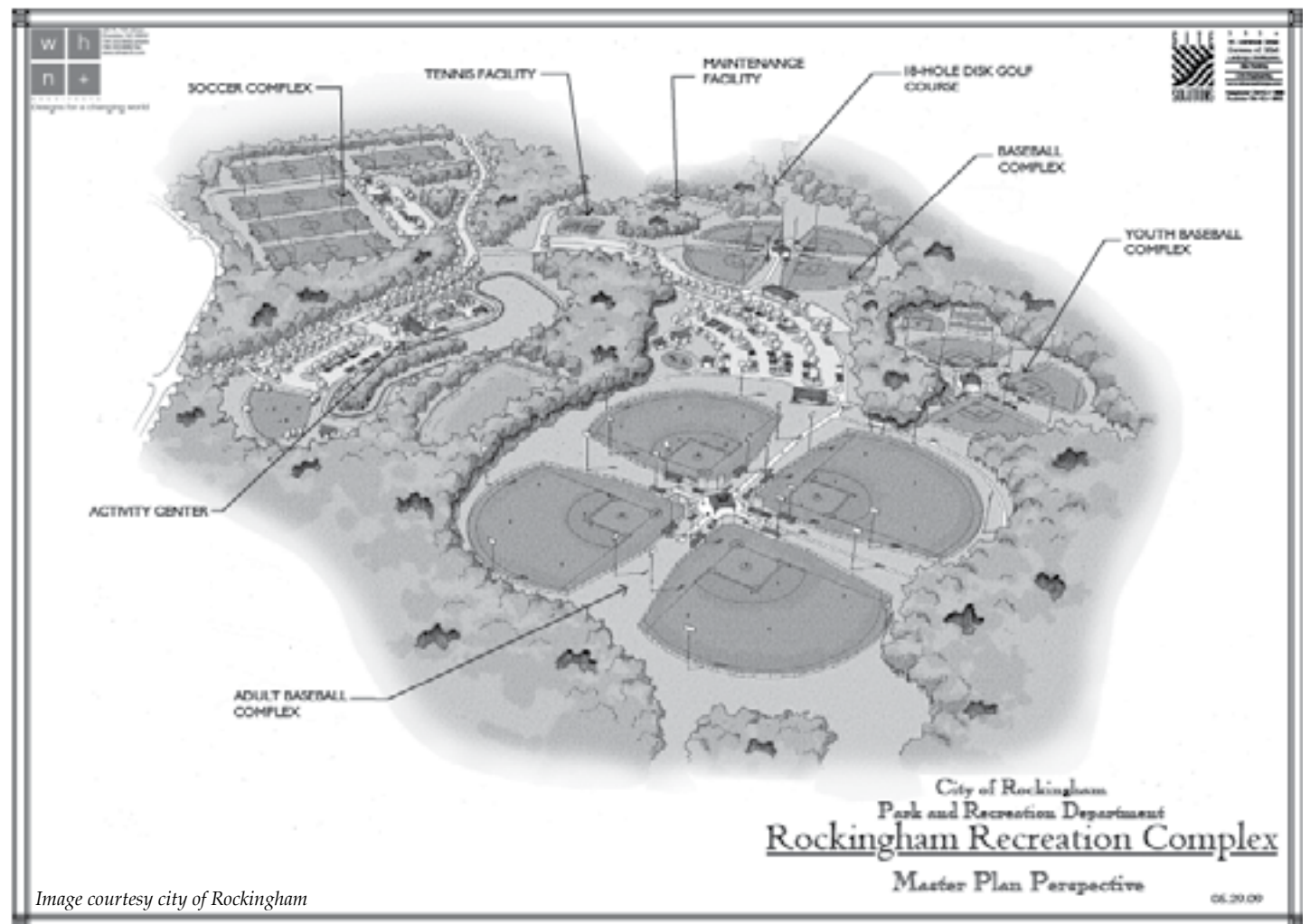
"An expansion of a parks and recreation department through a new multipurpose park does not seem to be a basic function of local government," Curry said.

Counties have had the option of raising their sales tax by a quarter cent for educational purposes or economic development since 2007. Since then, voters rejected them in 66 counties and approved them in 27.

In November, voters in six counties will decide by referendum whether to raise their sales tax rates. Bladen, Guilford, Mecklenburg, and Rockingham counties would use proceeds for educational purposes. Carteret County would devote its extra tax to dredging. Richmond is the only county seeking a recreational use.

Though no public opinion polls have been taken to gauge voters' leanings on the Richmond County tax, longtime journalist Kevin Spradlin said the local interest should "help increase what has been historically low voter turnout for Richmond County," Spradlin said.

"Richmond County residents are devoted and dedicated sports fans, and they vote," said Spradlin, who owns the Rockingham-based online



publication Pee Dee Post. "People who don't support it are just as passionate."

Based on feedback in the comment section of his Web-based stories about the proposed park and on the Pee Dee Post Facebook page, Spradlin said sales tax opponents either don't want taxes raised for any reason, or don't want to pay a county tax to fund a project in a city where they don't live or vote.

"We have all heard this 'spin' before ... the millions of economic impact of NASCAR," one of his readers wrote. "It's all speculation without real figures to back it up."

"What about other spending needs the county has, such as its own infrastructure, sewer and/or water projects, education, etc.," another reader posted.

County Manager Rick Sago said the proposed sales tax is not targeted for education because Richmond County Schools officials have not approached the county "in any way, shape, or form."

But Superintendent Cindy Goodman said she was not involved in the sales tax debate because she began her current job in August, and she may seek some of the revenue.

"Our funding has been flat for the last few years. ... I'm hoping that maybe we can get a bump this year depending on how this sales tax thing goes," Goodman said. "We don't want to be overly demanding" given the county's financial picture, she said, "and yet it is our job to look after our

children and try to provide the best education possible."

The wording of the referendum "doesn't preclude it from ever being used for education," Sago said.

Just because the referendum cites the Rockingham facility as an intended use of the tax hike proceeds "doesn't mean somebody else can't come to us in the future," Sago said.

The recreation complex would feature baseball, softball, football, and soccer fields, tennis courts, a disc golf course, a splash park, a carousel, a miniature train, and a dog park. It jumped to the front of the funding list because \$1 million already has been spent preparing it, Sago said.

The county commissioners won't decide whether to fund all or part of the sports complex until a referendum passes, Sago said. It's still not clear whether the city or county would assume the construction loan.

"Unless we get the sufficient commitment from the county to handle the debt service, we won't build the facility," said Rockingham City Manager Monty Crump. He said the city received a \$750,000 grant from the Cole Foundation to buy the land and has spent \$889,000 prepping the site.

Sago and Crump defend using sales tax money for a recreation complex because the city and county have met the most pressing infrastructure needs under traditional economic development models.

The jurisdictions have completed school building renovations, water

treatment facilities, highway development, upgrades to the Rockingham police station and city hall, and regional sewer plant, they said. Work with Duke Energy on a wastewater project, and cooperation with state officials on Interstate 73 are continuing, they added.

Rockingham receives half of a 6 percent occupancy tax the county imposes on hotel and motel visit a little more than \$230,000 annually, but that money is earmarked for a tourist signage program and other uses, Crump said.

Crump and Sago say the interest in a large-scale recreation facility to serve Rockingham's parks and recreation participant base, which is 60 percent county residents, has been raised by citizens and in local plans.

They say the complex would attract tourists to large events such as Dixie Youth and Pony League baseball tournaments, leagues with which the city has a lengthy history. Visitors will spend money at hotels, restaurants, shops, gas stations, and other venues. It also would enhance the quality of life for local residents, and potentially attract new businesses and other amenities.

But Jesse Hathaway, research fellow at the free-market Heartland Institute, said using sales tax revenue to build giant sports complexes is a poor policy decision. Abundant academic studies have concluded "almost universally this does not pay off in the way that supporters say it would." CJ

Charlotte Punts Ride-Sharing Issue to N.C. General Assembly

By MICHAEL LOWREY
Associate Editor

Ride-sharing services like Uber and Lyft are changing how people get around in cities. They also are causing governments to reconsider how they regulate taxicabs. Charlotte has decided to avoid establishing rules for the services for now to see if the General Assembly will enact a statewide framework for regulating the services, says *The Charlotte Observer*.

Charlotte City Council's public safety committee had been working on a new set of regulations covering both traditional taxicab operators and ride-sharing companies. A draft proposal included a requirement that ride-sharing services conduct background checks on their drivers like those the city currently requires for cabbies. The proposal also would have allowed taxis to charge lower fares than the city's regulations currently allow so they would be more competitive with Uber and Lyft.

Taxicab companies favor stricter regulation of ride sharing services, if not an outright ban.

"What they've done in the past five to six months is scary," said Obaid Khan, co-owner of Charlotte-based Diamond Cab. "They've set their rates so low [that] small companies like us

can't compete with them."

"It's just not fair for the cab companies that are being regulated," said Khan, who favors looser taxi rules if the city won't regulate ride-sharing services.

The committee has decided to hold off for now to see what the General Assembly does. Early this year, lawmakers approved a review due in January that will "study the registration requirements, fees, and penalties applicable to for-hire passenger vehicles, including for-hire passenger vehicles directed by digital dispatching services."

Raleigh sign regulations

Raleigh leaders continue to debate the scope of new regulations on business advertising. The latest draft rules allow more storefront signs than did earlier versions, but some business owners and city council members think the newer versions remain too restrictive, reports the *Raleigh News & Observer*.

The latest proposal would allow up to half of storefronts to be covered

in signs, an increase from 30 percent in earlier draft. That still isn't enough for Councilman John Odom.

"We're actually going inside the business" with regulations, Odom said. "It's like going inside your home."

Business owner Richard Gardner has collected 300 signatures on a petition against the proposed sign rules.

"Yes, many other cities have regulated window signs, but they were not ranked by *Forbes* as the No. 1 place for small busi-

nesses," Gardner said. "Signs are the most effective yet least expensive form of advertising for a small business."

Meanwhile, City Councilman Thomas Crowder flipped the *Forbes* rating to argue for the proposed regulations.

"We are the No. 1 place to live in the nation," he said. "It is because we cleaned up our act. We don't have a lot of the visual clutter that a lot of towns deal with."

The proposed regulations also would permit more colors on outdoor signs — seven instead of the current three (plus black and white) — to al-

low for more creativity.

Greensboro police cameras

The Greensboro Police Department wants to put high-tech surveillance cameras downtown to help identify suspects and make people feel safer. Several Greensboro City Council members aren't sure that it's such a good idea, reports the *Greensboro News & Record*.

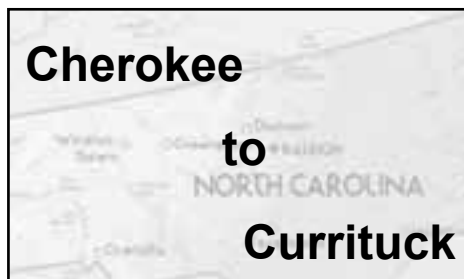
Under the proposal, the city would spend \$67,000 to install 21 wireless cameras with infrared, pan, tilt, and zoom capabilities. City Council has to sign off on the expenditure, and several council members expressed serious reservations.

"I have a concern with us becoming a surveillance state," Mayor Nancy Vaughan said. "I wouldn't want one of these in my neighborhood, and I don't want to put them in anyone else's."

Councilman Tony Wilkins, meanwhile, expressed privacy concerns of a different sort: that the cameras might be used to focus on private residences instead of public areas.

The parts of town in which the cameras would be located was a matter of discussion. Councilman Jamal Fox asked if it wouldn't be better to place cameras citywide — or at least in high-crime areas.

City staff will rework the proposal. *CJ*



Court: With No Maps, Burden on City to Prove Zoning Violation

By MICHAEL LOWREY
Associate Editor

It seems like a small business owner's worst nightmare: Learn that you have lost the ability to use part of your property for your business based on a change of zoning boundaries — and government officials say no copies of the zoning maps exist. Yet that's exactly the situation a Macon County property owner faced until the state's second-highest court intervened.

John Shearl runs J&J Lawn and Landscape on property he bought in 1993 off N.C. 28 in Highlands. His company uses two buildings on the property, a shop building near the road and a storage building further back.

On Aug. 19, 2009, the town of Highlands issued a zoning violation notice to Shearl, saying he was making commercial use of a building on property zoned as residential.

In that part of Highland, zoning designations are set based on the distance from the center of N.C. 28. Shearl's property has split zoning, with the front portion zoned commercial and the rear portion residential. In the 1980s, the demarcation line between commercial and residential zoning was

230 feet from the center of the highway. The town later rezoned the area and moved the demarcation line to 150 feet from the center of the highway. While Shearl's shop building clearly is on the part of the property zoned commercial, the storage building is between 150 and 230 feet from the middle of the highway and affected by the zoning change.

Before the town's Zoning Board of Adjustment, Shearl argued that his commercial use of the storage building was a legal nonconforming use, and that he should be allowed to use the storage building for his business because he was using it as such when the zoning line was moved. After the board and a Superior Court judge ruled against him, Shearl renewed his claim at the N.C. Court of Appeals.

Ordinarily, a property owner bears the burden of establishing the existence of a legal nonconforming use. But the appeals court ruled that standard should not apply in this case.

"Given the unique factual circumstances presented here, we hold that [the town] bears the burden of proving that petitioner's zoning violation dates back to petitioner's purchase of the property," wrote Judge Robert N. Hunter Jr. for the court.

"Because the burden was inappropriately placed on Petitioner, we vacate the superior court's order and remand this matter for a new hearing."

The "unique factual circumstances" Hunter referred to surround changes Highlands made in 1990 to its zoning scheme. The town claims it moved the zoning line in 1990 — three years before Shearl bought the property, so he could not claim the building as a nonconforming use. But the town also admitted that it has lost all copies of the 1990 map.

"We believe that where, as here, a town fails to comply with its obligations under local ordinances and state law by failing to keep official zoning maps on record for public inspection,

the appropriate remedy is to place the burden back on the town to establish the location and classification of zoning districts when the landowner began his or her nonconforming use," wrote Hunter.

The appeals court made clear that the town now faces a high burden to prove that it moved the demarcation line in 1990, given that the best evidence to show such a move no longer exists.

"Respondent must produce such evidence on remand establishing that the line was at 150 feet when Petitioner began his commercial use of the storage building," Hunter wrote. "Otherwise, it must be presumed that petitioner has a legal nonconforming use given the absence of any evidence tending to show that petitioner's building is within the earlier 230-foot demarcation line."

Court of Appeals decisions are binding interpretations of state law unless overruled by the N.C. Supreme Court. If a similar case arose challenging a local government's zoning authority and the locality had lost its maps, the locality would have the burden of providing other evidence.

The case is *Shearl v. Town of Highlands*, (14-113). *CJ*



Chamber: New EPA Ozone Rule Could Cost Jobs, Billions

By DAN WAY
Associate Editor

RALEIGH
North Carolina is on the verge of recapturing prerecession levels of job creation, but a controversial Obama administration ozone regulation proposal could erase recent gains and launch a new round of job losses, especially in rural counties, business and manufacturing officials said.

"At a time when we're beginning to see our economy recover, we're beginning to see some jobs coming back into the state, we're beginning to see some reshoring of jobs that went offshore, it's worrisome that this new ozone standard is going to bring all that to a screeching halt," said Preston Howard, president of the North Carolina Manufacturers Alliance.

Lew Ebert, CEO of the North Carolina Chamber, and Mark Hawes, director of environment and safety for Shurtape, a global company with corporate headquarters in Hickory, joined Howard Sept. 15 at the state Chamber office. They highlighted what they view as a grim National Association of Manufacturers report on the ozone regulation's impact.

The study further shows North Carolina could lose 127,360 jobs by 2040, the economy could lose \$150 billion in projected growth over that time, and 24 percent of the state's coal-fired generating capacity could be shut down. Total compliance costs would soar to \$98 billion, and North Carolina households' buying power would drop \$1,820 annually, the report concluded.

"The costs are exorbitant. Some manufacturers won't survive it," Howard said.



The Obama administration seeks to reduce concentration limits of ozone — commonly called smog — from the current 75 parts per billion to 60 parts per billion. A final decision is expected before the end of the year.

Howard noted the ozone rule is just one of several costly air quality rules being promulgated by the federal Environmental Protection Agency.

Ebert said the impact of those regulations should be viewed alongside the nonprofit Tax Foundation's just-released 2014 International Tax Competitiveness Index Rankings. The ratings show the United States at No. 32 among the top 34 industrialized countries, ahead of only France and Portugal.

Hawes said lower ozone standards would jeopardize his company's plan to add 50 employees to its facility in Alexander County.

Shurtape estimates the new ozone rule would add about 12 months

to the time it takes to get a permit. It would cost between \$1 million and \$2 million more in increased capital investment, and \$500,000 to \$1 million in additional operating costs.

"It's not a huge number, but when you look at a facility that employs 150, 160 people, and we want to go to 200 people ... it could be a deal breaker for that expansion," Hawes said.

"The area around Lake Mattamuskeet [Hyde County] is going to be affected by this. You're talking about a county the size of Mecklenburg, with 5,500 people grasping for jobs," Hawes said. "When you go into a small area and you talk about \$2 million to \$3 million in additional capital costs for a small facility, and operating costs, that could be a deal breaker."

The counties most likely to be harmed by the new standards are responsible for 636,307 manufacturing, natural resources and mining, and construction jobs, according to a Chamber

handout citing U.S. Bureau of Labor Statistics data.

Anson, Cabarrus, Caswell, Chatham, Cumberland, Currituck, Davie, Durham, Edgecombe, Forsyth, Franklin, Gaston, Graham, Granville, Greene, Guilford, Hoke, Johnston, Lincoln, Mecklenburg, Nash, Orange, Person, Pitt, Randolph, Rockingham, Rowan, Stokes, Union, Wake, Yadkin, and Yancey counties all would exceed a standard set at 70 ppb.

Alexander, Buncombe, Burke, Caldwell, Catawba, Haywood, Henderson, Lenoir, Madison, and Martin counties would be impacted if the standard were lowered to 65 ppb.

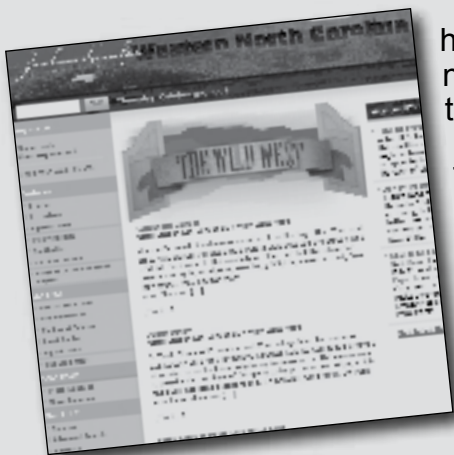
Avery, Brunswick, New Hanover, Pender, and Swain counties would be noncompliant if the standard were reduced to 60 ppb.

The top 10 manufacturing industries at risk in North Carolina and their contribution to the state's GDP cited by the Chamber are: chemicals, \$24 billion; food and beverage and tobacco products, \$19.9 billion; computer and electronic products, \$7.4 billion; machinery makers, \$5 billion; plastics and rubber products, \$3.7 billion; electrical equipment, appliance, and components, \$3.6 billion; fabricated metal, \$3 billion; textile mills and textile products, \$2.7 billion; motor vehicle, body, trailer, and parts, \$2.3 billion; furniture and related products, \$1.9 billion.

Electricity is one of the top three costs for manufacturers, Howard said. If that cost rises by 15 percent, as the NAM study projected, "you can't have anything but a bad impact on your competitiveness," he said. "We have companies who have \$1 million-a-month power bills. They're struggling to stay alive now." *CJ*

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DENR Puts End to 'Misleading' Wind Power Scheme at Aquariums

Continued from Page 1

The stated mission of the aquariums is "to inspire appreciation and conservation of N.C.'s aquatic environments." But the message at the aquarium displays addressed much more than that. One display asserted that fossil fuels are bad and wind energy is good, and told visitors that "we" need your help. Another said, "Be the change together. Thankfully we can make a difference today. If we work together to lower our carbon footprint, we can help our planet and our oceans. By supporting renewable energy, such as wind we can decrease the use of fossil fuels."

DENR's aquarium division manages aquariums at Fort Fisher, Pine Knoll Shores, and Roanoke Island, as well as Jennette's Pier at Nags Head. Various combinations of displays, signs, kiosks, and human presenters were used to encourage visitors to make financial contributions to help each facility go "green."

Different approaches were used at each site. Program administrators were allowed to determine the best ways to sell the "go green" message.

The grant

Aquarium Division Director David Griffin was the highest-level DENR employee to approve the \$16,000 "Innovative Solutions Grant" from The Ocean Project, which, according to its website, "advances ocean conservation in partnership with zoos, aquariums, and museums around the world."

The Ocean Project views these facilities as "the leading gatekeepers in providing the public with experiences that engage them, inspire them to take action at home and in their communities, and increase their understanding of science and conservation."

Funding for The Ocean Project comes primarily from The Ocean Foundation, a Washington, D.C.-based nonprofit. The grant to North Carolina was funded partially by federal taxpayers through the National Oceanic and Atmospheric Administration, an agency of the U.S. Department of Commerce.

The North Carolina grant application stated that the four aquarium sites "will develop, deliver, and evaluate new and effective conservation messages that will encourage our visitors to take immediate conservation action by purchasing renewable energy credits for their homes." REC broker Greenlight then would match those purchases with an REC donation in the name of the particular facility that enticed the visitor to make a donation.

The application stated that climate change and ocean acidification were the primary ocean problems that the project would help address.

"Our goal at all four sites is to



The North Carolina Aquarium at Fort Fisher enlisted the help of its albino alligator, Luna, to sell renewable energy certificates under the now-ended program. (CJ photo by Don Carrington)

be trusted resources in our communities for inquiries on climate change, to increase awareness and knowledge of current climate issues, and to engage visitors in direct actions," stated the application. "This project will also advance on-site conservation efforts at each facility by allowing us to acquire 'green power' at our sites."

The message

"Our goal is to use 100% wind power at the Aquarium — that's 3,037,000 kilowatt-hours a year," stated a display at the Fort Fisher Aquarium. That display used the facility's albino alligator Luna as a mascot for the campaign. "Help Luna go green — together we can reach our 100% wind power goal," stated the display.

The program offered visitors the opportunity to buy renewable energy certificates for their homes through Greenlight, which says it "helps organizations navigate environmental markets and develop a deeper understanding of sustainability."

Greenlight then would donate a matching amount of certificates in the name of the aquarium associated with the donation. Through the REC system, the aquarium and its supporters essentially can claim an emotional attachment to electricity that already has been produced from a wind farm in another state. Greenlight retires RECs when they are transferred to an end user such as the aquarium visitor and the individual aquariums.

The Fort Fisher Aquarium's electric bill for the past fiscal year was \$204,109, and the REC program would have no effect on that amount or its current electricity bill.

According to the U.S. Environmental Protection Agency, RECs "represent the property rights to the

environmental, social, and other non-power qualities of renewable electricity generation. A REC, and its associated attributes and benefits, can be sold separately from the underlying physical electricity associated with a renewable-based generation source."

The results

The campaign's duration under the grant was from Memorial Day through Labor Day, but the displays and solicitations were still in place Sept. 6 at Fort Fisher, Pine Knoll Shores, and Jennette's Pier. There was no display at the Roanoke Island Aquarium that day. The remaining displays were removed later in September.

At Fort Fisher and Pine Knoll

Shores aquariums, interested visitors were asked to send a text message to a specific number. The visitor then would use a credit card to make a contribution after seeing this message:

The North Carolina Aquarium at Fort Fisher thinks you're a spark plug for good. Thanks for igniting something amazing.

Choose any support level (minimum \$5.00) that meets your budget. All come with our no-hassle cancel anytime policy. This purchase of Green-e Energy certified 100% U.S. wind RECs priced at 1.5 cents per KWh is in addition to and separate from your regular electric bills.

The Fine Print (It's Required) —Your purchase of renewable energy certificates (RECs) is supporting electricity production in the U.S. For every unit of renewable electricity generated, an equivalent amount of RECs is produced. The purchase of RECs helps offset conventional electricity generation in the region where the renewable electricity generator is located. The purchase also helps build a market for renewable electricity and may have other local and global environmental benefits such as reducing global climate change and regional air pollution.

The program accepted two credit card purchases for RECs in mid-September by CJ, even though the program officially had ended on Labor Day. A receipt and thank you by email from Greenlight Energy followed each purchase. "Thank you for making a difference for ocean health and supporting the North Carolina Aquarium at Fort Fisher. Your actions matter," read the note.

According to a report supplied to CJ by DENR, the program generated just \$2,459.54 in donations from visitors at the facilities. CJ

Dealers in Premium Cigars Say New FDA Rules Threaten Business

Continued from Page 1

other small shop owners, who employ tens of thousands of people nationwide, to shut their doors.

"The cost of cigars is going to go up so high the average person isn't going to be able to afford them" if the proposed rules are enacted, Kakadelis said.

If that happens, he said, "mom-and-pop" sellers would be so "overridden with regulation that they'll just move the tobacco industry to Europe or to China, and we won't even have a business."

Kakadelis, who also is part owner of another cigar store in Georgia, and had been considering opening other shops in Virginia, said the FDA is "going to start treating cigars as if they are pharmaceutical designations." His shops employ 12 people in North Carolina and five in Georgia.

Will 'cost billions'

"I'm tired of the federal government sticking its nose in stuff it doesn't have any business doing," he said, "because primarily it's going to cost us billions of dollars that are going to be funneled through the FDA to try to control premium cigars, of which 1 percent of the adult population even enjoys."

He said the FDA could impose hefty fees to test not just every new blend a shop has sold since 2007, but also could impose a testing fee on every size of cigar made with that same blend. There would be a two-year wait for approval under the proposed regulations, he said.

Health warning labels would be put on packages, and no free samples could be issued for retailers and consumers to test products before buying large quantities. Kakadelis said sampling is a vital part of the trade, likening it to wine or coffee tasting.

Rob Norris, CEO of JR Cigar, a New Jersey-based premium cigar company with heavy catalog and online sales, said his company is worried that the regulations "would collapse the premium cigar industry." JR Cigar has North Carolina retail outlets in Burlington, Selma, and Statesville, two in New Jersey, and others in Washington, D.C., and Detroit.

'Will be an impact'

Company officials oppose the regulations and have submitted public comment to the FDA. Although JR Cigar is one of the largest premium cigar companies in the United States with 200 employees directly associated with premium cigars, Norris said there is no guarantee it would survive tough regulations.

"The honest answer is we don't know to what extent we'll be impacted, but there certainly will be an impact," Norris said.



Jeff Young of Liberty, at left, and Doug Cockman of Greensboro, regulars at the smoking lounge at JR Cigar in Burlington, browse the selection of premium cigars in the walk-in humididor. (CJ photo by Dan Way)

"We develop our own products, we develop our own private labels, and we would have to go through significant hoops to bring those to market," Norris said.

"Premium cigar smokers enjoy tasting new blends, new products, and we would almost kind of crystallize the market as it is, and we would lose a lot of that kind of new variety, and new types of tobacco, and new blending processes that consumers really love about a nice niche industry like ourselves," Norris said. "That's a really big concern."

Legislation has been introduced in both the U.S. House and Senate to exempt the hand-rolled, premium cigars from the pending regulations and preserve jobs related to the industry.

Bill introduced

George Cecala, chief of staff for U.S. Rep. Bill Posey, R-Fla., said the bill, introduced by the Brevard County congressman to thwart the FDA action, has garnered 162 co-sponsors, which include Republican members of the North Carolina delegation Howard Coble, Renee Ellmers, Virginia Foxx, George Holding, Richard Hudson, Walter Jones, Patrick McHenry, Mark Meadows, and Robert Pittenger, and Democrat Mike McIntyre.

"The underlying bill, which was the Tobacco Control Act, was never intended to regulate premium cigars," Cecala said. "The debate was about controlling teen smoking of cigarettes. There was no mention in hearings or debate of regulating premium cigars."

But the FDA, which says it still is weighing whether to exclude or exempt premium cigars, believes that bringing those additional tobacco products under FDA's authority "is an important consumer protection. Science-based regulation can help reduce

the public health burden of tobacco use on the American public, including youth," said FDA spokeswoman Jennifer Haliski.

The FDA included premium cigars by "deeming" them to have some qualities that fall under the original Tobacco Control Act. That "will help FDA protect public health by requiring the review of new tobacco products and health-related claims for regulated tobacco products," Haliski said.

Future regulations

Including additional tobacco products in the regulations will allow the FDA to issue future regulations "intended to reduce their harmfulness, if FDA determines that such regulations would be appropriate for the protection of the public health," Haliski said.

But John Staddon, James B. Duke professor of psychology and professor of biology emeritus at Duke University, a frequent critic of claims by anti-tobacco activists, said the science behind the FDA's claims is questionable.

"I don't know of any study showing cigars are dangerous. Probably they are, in a small way," Staddon said, but added that any risk that exists is borne solely by the smoker, and is not a public health threat.

"The supposedly lethal effects of smoking are both uncertain and long delayed. All you have are correlations, which are confounded in all directions — and I don't know of even correlational research on cigar smokers," he said.

"If you smoke a cigar every few days, the health risk, if there is any health risk, is immeasurably small, unless you're Winston Churchill, who was felled by cigars at the age of 89," Staddon said in jest to make the point about the relative lack of danger in cigar smoking.

"The FDA really doesn't care about the facts, they just know tobacco is bad, and off they go," he said.

"You're attacking small businesses in an extremely unfair way without any basis in science," Staddon said. Passing laws and regulations to protect people from their own choices "is just an appalling way to run a country. You infantilize the country."

The premium cigar regulations, like the federal Environmental Protection Agency's attacks on coal-fired power plants, are an example of administrative law being written by executive branch agencies instead of the legislative branch, as the Constitution prescribes, Staddon said.

'Feel-good rules'

"The government passes these feel-good rules ... and then the bureaucrats go off unrestrained. They're given license to cause all sorts of trouble. They're not accountable to any electorate or anything. They have nothing to lose by regulating and everything to gain. It's a very, very dangerous thing," Staddon said.

Cecala, Posey's chief of staff, says the fact that Posey's bill has bipartisan support, and a number of its co-sponsors backed the original Tobacco Control Act, is evidence that the FDA "is overstepping its authority."

"This is ultimately an issue about the freedom of adults," Cecala said. "If the FDA wants to try to take away freedom, then Americans, adults who enjoy this product, have every right to be upset."

He said the industry estimates there are about 85,000 jobs directly tied to cigar manufacturers and retailers in the United States, and including premium cigars in new regulations could place those jobs at risk.

'\$10,000 per employee'

"The average cost for compliance with a regulation on a small business is up to \$10,000 per employee, per year, in general," Cecala said. "If you add on top whatever the FDA wants to do it will severely hurt many mom-and-pop businesses throughout our country at a time when the economy is struggling to recover," Cecala said.

Kakadelis said compliance costs of new regulations would compound the tax burden that premium cigar firms already pay.

There is a 42-cent federal excise tax for every cigar that is imported into the United States, Kakadelis said, and every state has a premium cigar tobacco tax. There also is a wholesale tobacco tax and retail taxes. North Carolina charges a 12.8 percent OTP [other tobacco products] tax that is as high as 40 percent in some states. CJ

Shapiro: *Hobby Lobby* Case More Culture War Than Legal Battle

BY CJ STAFF

RALEIGH

The U.S. Supreme Court could face another round of critical cases as it returns to work this month. Ilya Shapiro, senior fellow in constitutional studies at the Cato Institute and editor-in-chief of the *Cato Supreme Court Review*, recently traveled to Raleigh to discuss highlights from the last Supreme Court session. Shapiro shared his insights 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: The *Hobby Lobby* case was the one that really generated the most headlines. Just how significant was that decision?

Shapiro: Well, it was a big deal for religious liberty — one of the rare interpretations of the federal Religious Freedom Restoration Act that we've had — but it didn't go to the heart of Obamacare. I don't think it establishes a precedent that's going to be applied in the future, because of the nature of the legislation that the court was interpreting — this Religious Freedom Restoration Act — that says that when you have a claim, a religious liberty claim, you don't automatically win, but courts evaluate whether the government, nevertheless, has a compelling interest and is pursuing that in the only way that it can. There's no other way to do it without burdening your religious liberty.

So the dissent there, Justice [Ruth Bader] Ginsburg, told a tale of a parade of horrors, of people objecting to vaccination or use of pork products — pig products — in medical devices. You know, people have been free to make those sorts of claims for about 20 years, since this legislation's passage, and we haven't seen it, and I don't really think that it's going to happen in the future.

This is really more indicative of the larger culture wars, and this season's election campaigns, than any sort of revolution in the law or religious liberties being imposed on anybody.

Kokai: Now this was a decision that was split, like some of them are that we hear a lot of discussion about, but one of the other major decisions that came out near the end was unanimous, 9-0, and it had to do with President Obama and executive overreach. Tell us about that one.

Shapiro: President Obama's executive overreach is kind of a theme that we've been discussing for a long time. ... [W]hat the court was looking at in the case of *Noel Canning v. National Labor Relations Board* were some so-called recess appointments that the president made in January 2012. And the problem is, he didn't make them

"This administration, just at the Supreme Court, has lost unanimously 13 times in the last three terms. That's a pace that's triple George Bush and double Bill Clinton. So they push through the envelope of kind of reasonable arguments and reasonable executive actions."

Ilya Shapiro
Editor-in-Chief
Cato Supreme Court Review



during a recess or, better said, the Senate had what some people call pro forma sessions. They gavel in, gavel out every three days. Sometimes, they even conduct business during these sessions on a unanimous consent sort of fashion.

The lower court ruled that the president was exceeding the recess appointment power because it wasn't a recess and it wasn't an intersession recess, and the vacancy didn't come about in the right time. The Supreme Court ruled more narrowly — at least the majority did — and said, "Look, whatever the rule is, three days is not long enough to invoke a recess appointment, and the Senate is the judge of when it's in session and when it's in recess." So, clearly, Obama did exceed his powers.

Recess appointments are pretty much going to go away at this point, because the Senate — whenever the Senate is of the opposite party of the White House, they simply won't go into recess, and indeed, the House now has more power because no house of Congress can recess for longer than three days, without the consent of the other House. So even if the Senate wanted to, it could not [recess] if the House is controlled by the other party.

This administration, just at the Supreme Court, has lost unanimously 13 times in the last three terms. That's a pace that's triple George Bush and double Bill Clinton. So they push through the envelope of kind of reasonable arguments and reasonable executive actions.

Kokai: As you surveyed the range of opinions that came down during this past term, what were some of the other decisions that stood out to you?

Shapiro: *Harris v. Quinn*, which was decided on the last day of the term, the same day as *Hobby Lobby*, was

a big labor law case. And this stopped in its tracks the biggest source of union growth, and especially public-sector union growth, that we've seen lately. To wit, Illinois is one of among about a dozen states that has had laws to forcibly unionize home health care aides and other types of independent contractors, who get paid through state program funds.

The SEIU, one of these unions, negotiated the Medicaid compensation rates, for example, for the home health care aides in this case, and the court said that's not enough to make them state employees, which is really the standard that the court has allowed compelled unionization for.

But at the same time, the majority here — and this is another one of these 5-4 cases written by Justice [Samuel] Alito — did cast doubt that perhaps in the future there will be a further paring back of the laws of the jurisprudence that has allowed forced unionization in the public sector.

Kokai: Of course, in addition to all of these cases, one of the things that Supreme Court watchers look for is trends. Did you see any interesting trends that either developed or continued from previous sessions?

Shapiro: There is a great deal of unanimity on the court. I mean, this is kind of an increasing trend over the last number of years. It goes into what [Chief Justice] John Roberts has said, that he wants the court to speak with more of one voice. But here, in part, as I mentioned, President Obama has succeeded in creating bipartisan unity with, you know, a record number of unanimous votes against him, and indeed, overall the government has been losing much more than it has historically.

But, on the unanimity front, this term — about two-thirds of the cases were decided 9-0, which is a modern high — not seen since 1940. You take

another handful of cases that were decided 5-4, that gets us [to] over 80 percent of the cases [that] were either unanimous or, you know, hopelessly split, 5-4. So it shows you that the cases at least that the court is taking are either really simple for the court to resolve, or at least they take narrow decisions that more people can agree upon, or they're hopelessly split like in the civil rights area.

Kokai: That, I think, would surprise a lot of people to hear, that there is so much unanimity, when all you hear in the mainstream press about the court is that you've got a conservative wing, and you've got a liberal wing, and Anthony Kennedy can go either way. It doesn't sound like that's the way they really operate.

Shapiro: Most of the cases you never hear about. The bankruptcy law, tax code, ERISA, criminal sentencing — a whole host of very, very technical issues that sometimes the lower courts are split on or simply get badly wrong, and the Supreme Court doesn't have much of a problem resolving it.

Some of these cases that have been unanimous, some commentators have called phony unanimity, in the sense that, yes, at the end of the day, all the justices agreed on which side won, but there were harshly worded concurrences that ... were dissents in all but name, and Justice [Antonin] Scalia authored notable ones, including in that recess appointments case, *Noel Canning*, [and] an abortion clinic buffer zone case called *McCullen*. In these cases, the concurring justices — sure they agree in the judgment, but they don't agree with the reasoning, and they would have gone much further than the majority would.

So there is a bit of that, but even in cases where all justices agreed on everything, or on most things, still we have a record ... level of agreement. CJ

Adult Star Knox is Advocate For Free-Market Education

BY HARRY PAINTER
Contributor

RALEIGH
Are college students more likely to listen to a lecture about education policy if an adult film actress is behind the podium? They certainly filled the room for Belle Knox, whose real name is Miriam Weeks, a 19-year-old Duke University student. She came to UNC-Chapel Hill Sept. 9 to talk about the high cost of college.

Knox, a sophomore women's studies/sociology double major, has become something of a national figure, appearing on Fox News, "The View,"

and "Piers Morgan Live," and writing for *Time* and *XOJane*. Knox claims to have resorted to performing in porn because of the high cost of tuition at Duke, although she

admits that Vanderbilt University offered her a full ride and says that she might have taken it if she had known then what she knows now.

Knox told her Carolina audience that she had to choose between taking \$240,000 in loans over four years and paying most of it out of pocket. While taking her X-rated job disqualified her from the aid she had been receiving, the job pays enough to cover the full cost of tuition.

"I found that getting screwed on camera was the best way to avoid getting screwed by the education system," she said.

When she first garnered media buzz by writing for *XOJane* in February about her journey into sex work, Knox sounded like a leftist. Although the *Duke Chronicle* newspaper labeled her as a Republican who identifies as a libertarian, her own writing suggested she was concerned with issues more commonly associated with progressive feminism — such as patriarchy, slut-shaming, and rape culture.

Knox's newfound fame after writing about her tuition troubles led to her first foray into education policy. Young Voices, a libertarian organization that seeks to place articles from millennials in large-circulation publications, convinced *Time* to accept one of her articles. Unlike her earlier work, however, this one went in depth about how bad government policies lead to higher tuition.

Knox touted the benefits of free markets at the left-liberal Chapel Hill

campus to an audience of more than 100 people. The event was hosted by the student group UNC Young Americans for Liberty, a chapter of the national organization that got its start with the 2008 presidential campaign of former Republican U.S. Rep. Ron Paul of Texas.

Knox's speech called for ending federal intervention in higher education. Her description of the problem with college was not unlike the argument one might hear from a Pope Center speaker, with the addition of a few giggles here and there.

"People like me have been told

our whole lives that higher education is the only way to be successful in America," she told the audience. Then later, "I don't think college is for everyone, and we need to stop pushing it like it is."

ing it like it is."

Knox recommended Khan Academy, vocational schools, for-profit schools, and apprenticeships. She said those alternatives "disrupt the inflated demand for four-year universities and offer more options for low-income students."

She added, "It's a bit of a circle. Education is unaffordable because of the government's involvement, and the government's involvement is now justified as necessary because education is now unaffordable."

While the high price of college was the topic, the audience showed as much interest in her discussions of her porn career and libertarianism. Knox was at ease talking about liberty — perhaps as a result of her immersion in the libertarian community through organizations including YAL, Students for Liberty, and Young Voices, and having read anarcho-libertarian thinker Sheldon Richman. Knox is the Duke campus coordinator for SFL.

Replacing past rhetoric about sexual freedom and supposed victims of "patriarchy," Knox now argues that all students are victims of discernible, tangible policies. Her best-received line of the night was an unintentional double entendre: "I don't think we should just lie down and take it anymore." CJ

Harry Painter is a reporter for the John W. Pope Center for Higher Education Policy.



Her notoriety made Miriam Weeks, also known as Belle Knox, a cable talk-show must last year.

COMMENTARY

Clery Act May Not Improve Campus Safety

Quick: Name some places in America you regard as highly dangerous. If we could tabulate the responses, nearly all undoubtedly would be big cities or parts of those cities. Chicago, Detroit, St. Louis, Philadelphia, and so on.

Did anyone think of college campuses? Even though violence sometimes strikes on campuses, mostly they are very safe places. For example, in 2008 Detroit reported 306 murders and 17,818 burglaries. Wayne State University, located in Detroit, had no murders and just 45 burglaries.

Wayne State wasn't perfectly safe. No place can be assumed to be an absolute haven from crime. It was, however, vastly safer than the city as a whole. That is true for colleges and universities generally.

Still, some students, parents, and prospective employees might be interested in campus crime statistics to help guide their decisions. They can get them as the result of a 1990 federal law that's known as the Clery Act. That law had its genesis in a horrifying crime at Lehigh University in 1986, the rape and murder of student Jeanne Clery in her dorm room.

Formally known as the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act, the law requires colleges and universities to compile and publish data on campus crimes.

Other requirements under the act include: enacting policies to handle reports of missing students; compiling and reporting fire data; having an emergency response, notification, and testing policy; issuing timely warnings about crimes which pose a serious or ongoing threat; and maintaining a public crime log.

Everyone desires to keep campuses safe. The question is whether the Clery Act is effective in that regard.

Colleges and universities must divert limited resources from whatever their next-best use would be and into Clery compliance. Larger institutions have full-time compliance officers; smaller ones must pile more work on existing staff.

If the compliance costs

reduced campus crime or at least helped students make better decisions about avoiding relatively unsafe schools, then the costs would seem justified. Unfortunately, there's reason to doubt any such benefits.

In their recent book *More Than You Wanted to Know*, professors Omri Ben-Shahar (University of Chicago) and Carl Schneider (University of Michigan) make a compelling argument that disclosure mandates do little good and even can be harmful. That's because people are so overwhelmed with information, much of it incomprehensible, that they're apt to miss pieces of information that might be important.

The Clery Act is among the examples the authors provide of useless disclosure laws.

Schneider and Ben-Shahar write, "The resources the act commandeers for collecting and reporting crime data

would be better spent making schools safer. One criminologist called the mandate 'symbolic politics' and said that safety is likelier to come from installing blue-light telephones and security cameras."

Assume the student believes that variations in safety among the schools under consideration are important enough to warrant investigation. How to compare the reports? School-to-school comparisons are hardly illuminating even if you believe the reports convey reliable information about marginal differences in safety.

Another skeptic is professor Steven Janosik of Virginia Tech, who states, "These statistical reports aren't very helpful in the ways they were intended. I would rather have a police officer doing an educational program, making rounds of the campus, trying to create safer environments, than I would have that individual behind a desk flipping through reports and tallying frequencies."

That makes sense. It would be better to let school officials figure out how to use their limited resources for increasing safety rather than continuing with the "Uncle Sam knows best" strategy. CJ

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



GEORGE LEEF

Campus Briefs

In August at the Charlotte campus of Johnson & Wales University, area academics converged for a “Classical Liberals of the Carolinas” conference.

Conceived by John Sommer — a former board member of the Pope Center for Higher Education Policy — and assistant professor of economics Adam Smith, the event primarily attracted economists, but academics of other fields showed up in smaller numbers.

Smith’s Center for Free Market Studies hosted the conference. The weekend also was sponsored by the Bastiat Society, a group of free-market business executives (named for the 19th-century French political economist), and by the Pope Center.

The main goals of the conference were to inform classical liberal scholars about their colleagues’ work and to provide networking opportunities.

Highlights from the conference:

- Five professors from institutions in the Carolinas shared best practices of their universities’ classical liberal centers.

- Five speakers from classical liberal or conservative think tanks and foundations, including the Pope Center and the John Locke Foundation, described their programs.

- Smith discussed the concept of “bootleggers and Baptists,” an idea pioneered in the 1980s by retired Clemson University economics professor Bruce Yandle (and the title of a forthcoming book). The theory explains the unholy alliances formed by seemingly opposing groups to push for regulations.

- Yandle gave a closing speech discussing economic freedom, as measured in the Mercatus Center’s 2013 “Freedom in the 50 States” study, and the Cato Institute’s “Economic Freedom of the World” index. He noted that the United States’ economic freedom level has dropped at the same rate as Venezuela’s. Both Carolinas had above-average freedom rankings in the Mercatus report, but North Carolina’s ranking has declined rapidly since 2001.

- Lenore Ealy, executive director of the Philadelphia Society, a conservative discussion group dedicated to the exchange of ideas, gave a talk, preceded by a bourbon tasting. The talk was titled “Exit, Voice, and Bourbon,” a play on Albert Hirschmann’s economics book *Exit, Voice, and Loyalty*. CJ

Harry Painter is a reporter for the John W. Pope Center for Higher Education Policy.

Study: UNC Teaching Load Data Not Very Reliable

By JENNA ASHLEY ROBINSON
Contributor

RALEIGH

When legislators and officials at the University of North Carolina consider costs, they prefer to focus on minor operational functions — such as heating bills. But that merely nibbles around the edges.

One area is more promising for cutting costs than all the rest: faculty teaching loads. Faculty salaries are roughly half of the UNC system’s budget. Even slight adjustments could mean savings well into the tens of millions of dollars.

The Pope Center’s director of policy analysis, Jay Schalin, took a close look at faculty workloads and found some very interesting things. (The entire study, titled “Faculty Teaching Loads in the UNC System,” can be found at popecenter.org.)

For one thing, the university system’s official workload averages seem to be way off: The claim that professors in the UNC system taught on average 3.7 courses during the fall 2012 semester beggars belief. After all, the legislated standard systemwide is roughly 2.6 courses per professor per semester — and many professors have their teaching loads specified in their contracts at the legislated standard for their school.

Using official data taken directly from university registrars’ websites, Schalin found that the UNC estimates were inflated by roughly one course per professor per semester. That is a huge discrepancy — the UNC system is claiming the average professor teaches roughly seven courses a year, whereas both the legislated standard and the Pope Center findings suggest that the average is closer to five.

At one university, Schalin was able to ascertain that the official figures were inaccurate. Not only did he discover a 0.4 course difference between the Pope Center figures and the official figures for the average teaching loads of tenured or tenure-track professors at Appalachian State University, but he was privy to the granular data provided by ASU to the University of Delaware researchers. Those researchers compute the teaching loads for the UNC system and many other higher education systems in the country.

Looking closely at the granular data — which ASU officials admit they modify before submitting them to Delaware — Schalin was able to find some of the reasons for the discrepancy. One is that individual teaching units — such as independent study oversight or the supervision of dissertations — sometimes were mislabeled as lectures.

Schalin also found a problem with the reasoning behind the legislated standards. Schalin argues that teaching loads should be differentiated according to disciplines. For example, the university expects professors in engineering and nursing (whose students need more intensive training to gain proficiency in their fields) to teach fewer student credit hours than professors who teach English and history. As a result, a school receives greater funding for an increase in nursing majors than it will for an increase in English majors.

This difference is recognized by the university system’s own enrollment funding formula, which catego-

rizes disciplines according to how many student credit hours professors are expected to teach.

Instead, the legislative standards are differentiated only according to the type of university: Professors at research-intensive UNC-Chapel Hill are expected to average 2.0 courses per semester, while UNC-Charlotte professors are supposed to average 2.5 courses, Appalachian State professors are expected to average 3.0, and professors at liberal arts colleges with minimal graduate programs such as UNC-Asheville and Elizabeth City State University average 4.0 courses.

Teaching should be a greater part of the professors’ duties in the humanities and social sciences than in scientific and technical fields. The new knowledge produced in STEM fields is much more likely to have immediate practical and economic benefits than, for instance, literary research.

The Delaware study also has a serious methodological problem, Schalin says. It permits schools to inflate their averages for all professors by aggregating part-time professors and graduate students. A “full-time equivalent” professor consists of any number of part-time instructors who teach a total of four courses. Therefore, the average for all professors can be significantly inflated by adding in the FTE professors.

Schalin suggests several moves that could save money and improve efficiency: making the process completely transparent, changing the methodology, and differentiating legislated standards for different disciplines.

Most importantly, the North Carolina General Assembly, the UNC Board of Governors, or both, could conduct separate investigations of UNC faculty teaching loads, and do so with a mind-set of uncovering problems. More accurate information and some new standards for workloads could save huge amounts of money while refocusing the university system on its primary purpose: education. CJ

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



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Opinion

Academic Freedom and Contract Freedom Need to Be Balanced

One of the hottest academic controversies of the year involves the decision by the University of Illinois to “unhire” professor Steven Salaita.

He tentatively had been awarded a position in the university’s American Indian Studies department. Assuming that the job offer would be approved by the university’s board of trustees, he resigned his previous post at Virginia Tech.

At that point, a lot of his astoundingly nasty tweets regarding Israel and the battle in Gaza came to light.

In one, he wrote, “At this point, if [Israeli Prime Minister Benjamin] Netanyahu appeared

on TV with a necklace made from the teeth of Palestinian children, would anybody be surprised?” Those who disagreed with Salaita faced threatening rejoinders. He wrote that a journalist who did not see things the way he did should get “the pointy end of a shiv.”

This kind of writing is light years away from the discourse you would expect from any educator, much less a professor at a flagship state university.

After reviewing Salaita’s penchant for vituperative language, Chancellor Phyllis Wise decided against submitting the nomination to the board of trustees. Chancellors have considerable discretion in hiring faculty members, and she used it to stop him from getting the position he

thought he had bagged.

Immediately, some who share Salaita’s vehement opposition to Israel announced that this was a horrible injustice undermining academic freedom and the First Amendment’s protection of freedom of speech.

The American Association of University Professors proclaimed, “We stand by professor Salaita and defend his right to engage in extramural utterances. The University of Illinois cannot cancel an appointment based upon Twitter statements that are protected speech in the United States.”

Perhaps surprisingly, Wise’s decision was applauded by University of Illinois professor Cary Nelson, one

of the most stalwart defenders of academic freedom, who wrote that Salaita’s statements were “sophomoric, bombastic, or anti-Semitic.”

Must a university ignore such behavior in deciding whether to offer someone a position? Nelson answered in the negative: “A campus and its faculty members have the right to consider whether a job candidate’s publications, statements to the press, social media presence, public lectures, teaching profile, and so forth suggest he or she will make a positive contribution to the department, student life,



and the community as a whole.”

In Salaita’s case, there was good reason to think not.

Arguing the case against the university from “the right,” Adam Kissel of the Koch

Foundation countered that it was hypocritical to agree with the treatment of Salaita while also objecting to the many instances in which the left has tried to keep (and often succeeded in keeping) academics who take non-leftist positions from getting rehired or receiving tenure.

Kissel described a number of cases that are on point, such as the recent decision by the 4th U.S. Circuit Court of Appeals in the lawsuit filed by UNC-Wilmington professor Mike

Adams against his university. Adams was denied tenure mainly if not entirely because university bigwigs disliked his conservative writings.

As Kissel stated from the court’s holding, “Public colleges and universities

may not fire, refuse to rehire, or refuse to promote professors who have expressed controversial opinions, even if the opinions are expressed in strong language.”

I am a fervent defender of the First Amendment, but extending the prohibition against governmental infringement upon freedom of speech

to the point at which it interferes with the contractual decisions of public colleges and universities is a mistake.

Why shouldn’t educational institutions be allowed to consider the speech and written expressions of prospective employees or current employees under consideration for promotion? Most of them write a lot. In doing so, they may display a demeanor that’s not in harmony with scholarship and the need to teach students how to think, not what to think.

In the Salaita case, university officials were taken aback by the unscholarly nature of his expressions regarding the Gaza conflict and no doubt thought, “He seems likely to become an embarrassment for the university and may be unable to keep his opinions out of the classroom.”

College officials shouldn’t have to turn a blind eye to such expressions, given that once a faculty member is hired, it’s very difficult to terminate one who goes off on rants.

Academic freedom is important. A scholar should not be penalized for writings that are displeasing to the administration. But freedom of contract is at least as important.

Colleges and universities must have the freedom to decline to employ those who seem more interested in ranting about their personal “hot-button” issues than in objective teaching and scholarly inquiry.

While the government should not curtail free speech, there is no danger (or constitutional violation) when educational institutions set some limits. CJ

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



**GEORGE
LEEF**

Colleges have a legitimate interest in a professor’s outside writing

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• Americans are at the mercy of powerful figures in business and government who are virtually unaccountable. The Obama administration in particular has broken new ground in its monitoring of journalists, intimidation and harassment of opposition groups, and surveillance of private citizens.

Stonewalled is the story of former CBS journalist Sharyl Attkisson, who reveals how her news reports were met with a barrage of PR warfare tactics, including online criticism, as well as emails and phone calls up the network chain of command in an effort to intimidate and discourage the next story. In *Stonewalled*, Attkisson recounts her personal tale, setting it against the larger story of the decline of investigative journalism and unbiased truth telling in America today. More at www.harpercollins.com.

• Meet the Chicks on the Right (if you haven't already). Everyone loves to tell them they're wrong. Everyone. Liberals say they're wrong because, well, they're conservative. Conservatives tell them they're wrong because they are not conservative enough. Or because they're too conservative. Or because they're the wrong kind of conservative. With all the blame flying around, it's easy to lose sight of one important thing: They think like you. And they are right. It's right to revere the Constitution. It's right to value personal responsibility, economic liberty, and free enterprise. It's right to think that political correctness is crap, and it's right to call out the mainstream media for bias. And it's right to laugh at the so-called War on Women and to stand up for the unborn. In *Right for a Reason*, Miriam Weaver and Amy Jo Clark offer a definitive response to critics on the right and the left, and a cheerfully snarky pep talk for like-minded conservatives. More information at www.penguin.com. CJ

Book review

Gonzalez: Hispanic Ethnic Unity a Government Myth

• Mike Gonzalez, *A Race For The Future: How Conservatives Can Break the Liberal Monopoly on Hispanic Americans*, Crown Forum, 2014, 230 pages, \$26.00.

BY LLOYD BILLINGSLEY
Contributor

In a recent appearance on C-Span's "Booknotes," Heritage Foundation senior fellow Mike Gonzalez told host Niger Innis that the ethnic classifications of the federal government bore "no relation to reality." In *A Race For The Future*, the author expands on that theme.

Some readers might be surprised to learn that "Hispanic" is a creation of federal regulators. That's right, says Gonzalez: "Hispanics do not exist as such before the 1970s. The term is a bureaucratic contrivance invented by the federal agencies to co-opt the growing numbers of Mexicans, Cubans, Puerto Ricans, Central Americans, and others in the Great Society affirmative action programs created by the Johnson administration."

The so-called "Hispanics" do not think of themselves as a single ethnic group, and the term is not used in Latin America, where people call themselves Cubans, Guatemalans, Mexicans, Colombians, Dominicans, and so forth. Gonzalez does a good job outlining the differences among nationalities and shows readers why "Hispanic," as currently deployed, is even more inaccurate.

In government hands, Hispanic also became a racial designation, a protected group with access to benefits such as affirmative action in a country that became newly divided between whites and "minorities." This government scheme places WASPs, Poles, Italians, Jews, Irish, and others on one side, and Latin Americans on the other side with African-Americans. This designation has been imposed even though "there is nothing in the Hispanic experience that compares with the repulsive system of slavery," and most Hispanics identify as white. Gonzalez, a Cuban immigrant, calls "Latino" a silly term and does not use it.

Any policy at odds with reality is bound to be disastrous, and that applies on the economic side of the dynamic. For example, in 2013 in Puerto Rico only 41 percent of adults were working or looking for work, and 37 percent of the people were on food stamps, the "gateway drug" of government dependence. As Gonzalez sees it, the Obama administration is now mounting a surge to extend that dependence to Hispanic immigrants. The author shows how the U.S. Department of Agriculture has even crafted radio soap operas in Spanish to persuade Hispanics to drop their natural resistance to being a public burden and accept food stamps. The USDA website notes that Mexico will help disseminate information through its embassy and consular offices.

The message is: "Since you are not like previous waves of immigrants, don't aspire to the same experience." Instead new immigrants get the benevolence of Big Government. Gonzalez makes a strong case that the welfare state has been

destructive for African-Americans and is worried that those negative effects will spread to Hispanics, a group expanding more rapidly than any other.

The author sees the way forward through policies that strengthen the family, through education, charter schools, entrepreneurship, and so forth, all along the lines of the material that proceeds from the Heritage Foundation. The ideas are good, but the prospects of success have to be balanced against the fact that people can vote a better standard of living for themselves. As the author notes, in Puerto Rico it's a simple matter. You vote for the candidate who promises the largest increase in government benefits, such as food stamps.

A Race For The Future contrasts California and Texas on their respective approaches, but Gonzalez passes over California's attempts for reform through the ballot box. In 1986, Ronald Reagan's Immigration Reform and Control

Act turned 3 million former illegal immigrants into legal residents, and every one was allowed to bring in relatives. That same year 73.2 percent of Californians voted to make English the state's official language. In 1994, Proposition 187, which cut state benefits for illegals, passed by 58.9 percent. In 1996, Proposition 209 signaled the first time American voters could determine the racial and ethnic preferences of affirmative action policies. Californians duly rejected special preferences by a 54.6 percent vote. And in 1998, 61.3 percent of voters, including many Mexican-Americans, dumped bilingual education. All these voter-approved measures have been ignored, nixed by the courts, or assailed by politically correct politicians, academics, and bureaucrats.

Oddly, Gonzalez does not say much about illegal immigration, a problem for Americans who hold in esteem the rule of law, as opposed to rule by a dictator, as in Cuba, or a single political party, as in Mexico. He seems to deny that massive illegal immigration could pose any kind of threat to American self-government, the

theme of Samuel Huntington's 2004 *Who Are We? The Challenge to America's National Identity*. Gonzalez acknowledges Huntington's argument and says he got a few things right, but fails to name the book. The index excludes Huntington's name. Perhaps this was for fear of offending the politically correct Hispanic lobby, which can deploy powerful media allies to its cause.

At points in *A Race For The Future*, Mike Gonzalez wonders if there is a political purpose behind welfare state expansion. Of course there is. Statist politicians are importing an electorate, and bureaucrats are importing clients to expand their power and justify their positions. This is the new colonialism, and it has a lot going for it: government power, an entrenched bureaucracy, an endless supply of other people's money, a grievance dynamic, a collaborative media establishment, and a client base from nations whose traditions are more paternalistic than entrepreneurial. That is why the race for the future will be a close call. CJ

Lloyd Billingsley is author of *Hollywood Party: Stalinist Adventures in the American Movie Industry*, which recently was released as a Kindle e-book and is available at Amazon.com.



Macon and the Invisibles Were Major Actors in Early U.S. History

From 1809-12, Nathaniel Macon criticized the political machinations of a few members of Congress, mainly senators, whom he called "Invisibles." Far from being superheroes swooping in to rescue ordinary Americans, the Invisibles, in Macon's mind, acted unconstitutionally and harmed the nation.

The North Carolina statesman coined the term Invisibles, according to historian John Pancake, "to designate a rather nebulous group of Washington politicians who frequently opposed the policies of the Madison administration." Although many politicians declared independence from the Invisibles, Macon wondered why on votes "they never fail to have a majority." Macon also believed they "managed ... to prevent any bill passing which they did not approve."

The Invisibles were led by Gen. Samuel Smith, a U.S. senator from



**TROY
KICKLER**

Maryland. The senator's brother, Robert Smith — Thomas Jefferson's secretary of the navy and James Madison's secretary of state — was also an "Invisible." Other prominent members included Wilson Cary Nicholas and William Giles Branch, both of Virginia. At times, Vice President George Clinton and Macon's longtime friend John Randolph of Roanoke voted with the group. Individual Invisibles — if they were an actual cabal — often disagreed with each other.

During Madison's first term, the Invisibles opposed the president and worked to unseat Secretary of the Treasury Albert Gallatin. Macon wrote: "He — G — I am afraid is not enough on his guard as to these people." The Warhawks, led by Henry Clay, working with the Invisibles, "forced Madison toward war," writes Pancake, and the idea of war for Madison became "less and less distasteful."

The political infighting intensified in 1807, during Jefferson's second term. For some time, France and Great Britain disrupted American commerce, and Americans debated the necessity of embargo acts. After

British sailors from the HMS Leopard fired at and then boarded the USS Chesapeake, the Invisibles, mainly Nicholas and Branch, pushed for more aggressive American action against Great Britain.

Macon opposed such action and submitted Macon's Bill No. 1, terminating embargoes when the current session of Congress adjourned. Macon feared the existence of a standing army, which he thought could be used to encroach on individual Americans' liberties. He also opposed the buildup of the Navy for fiscal reasons.

Perhaps Macon overestimated the influence of the Invisibles because he doubted his abilities. Confiding in Rep. Joseph Nicholson of Maryland, Macon drew up a list of men he hoped would run for Congress, so they would be poised to defeat his opponents. Macon feared that his "talents [were] not equal to the task."

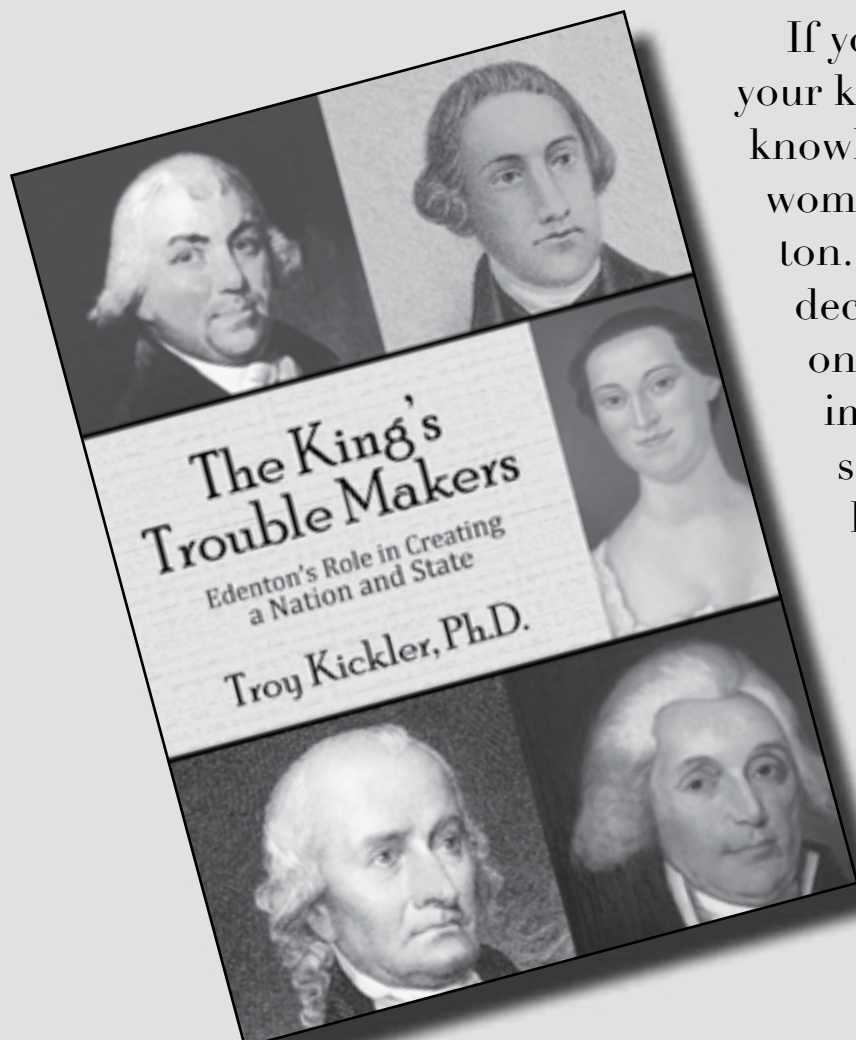
Apparently, his opponents thought differently. To deter Gallatin and Macon from thwarting the Invisibles' agenda, the Invisibles planted vicious attacks in the press. In 1810, Macon wrote: "The same men who have been at work on Gallatin, have

done me the honor of notice; what effect their notice may have in Carolina, I know not, but this they may rely on, it will have no effect on me here [Washington, D.C.]." In his unassuming way, Macon considered the media attention to be a result of an overestimation of his political influence. "I, like Gallatin, want nothing," wrote Macon. "It is not an easy thing I believe to put down one or more honest men who want nothing." (Macon expressed more than once that Gallatin was the most capable man available to be president of the United States; however, the Constitution prevented the Swiss immigrant from seeking the office.) Although Macon disliked the negative media attention, he did not care about the stories printed outside of North Carolina. Macon was resolved to vote his conscience.

There is much more to this fascinating story of political infighting. It appears that both the nebulous Invisibles and Nathaniel Macon were more powerful than historians have realized. I look forward to learning more. CJ

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

BOOKS BY JOHN LOCKE FOUNDATION AUTHORS



If you don't know about Edenton, North Carolina, your knowledge of U.S. history is incomplete and your knowledge of North Carolina insufficient. Organized women's political activity in America was born in Edenton. The concept of judicial review — that courts can declare legislative acts unconstitutional — was championed here. Ideas for a national navy and defense were implemented here. Many passages of the N.C. Constitution (1776) and the U.S. Constitution originated here. Leading proponents of the U.S. Constitution (a.k.a. Federalists) lived in this small place, and so did nationally known jurists and politicians.

Dr. Troy Kickler, founding director of the North Carolina History Project, brings Edenton, its people, and its actions into proper and full focus in his book, *The King's Trouble Makers*.

Go to northcarolinahistory.org for more information.

Book review

Timmerman: Obama, Clinton, Political Correctness Botched Benghazi

• Ken Timmerman, *Dark Forces: The Truth About What Happened in Benghazi*, HarperCollins, 214, 447 pages, \$27.99.

BY MELISSA MITCHELL
Contributor

On Sept. 11, 2012, as Americans were paying homage to the people who died in the 9/11 attacks of 11 years earlier, a new attack in Benghazi, Libya, would leave four more Americans dead and the country with another 9/11 anniversary associated with murder and tragedy.

In the two years since U.S. Ambassador Chris Stevens, Sean Smith, Ty Woods, and Glen Doherty were murdered, many questions remain unanswered. In his book *Dark Forces: The Truth About What Happened in Benghazi*, Ken Timmerman seeks answers to those questions.

Timmerman's book is more than the story of Benghazi. This is a book about a terrorist plot to kill an ambassador, lies, cover-ups, clandestine weapons deals, and an inept administration driven by political goals. He also reveals how the U.S. government is mired in political correctness regarding Islam and bogged down by a bureaucratic chain of command that blocked essential security in Benghazi and prevented the rescue of the four Americans.

As Timmerman unravels what went wrong in Benghazi, he says that every administration from Carter to Obama has made mistakes in dealing with Middle Eastern countries. But the mistakes made by previous administrations are minuscule when compared with those of President Obama

and former Secretary of State Hillary Clinton. Timmerman argues that Iran repeatedly has played the U.S. and provides evidence that Iran was behind the attack in Benghazi.

"A source involved in the investigation [tells] me that the FBI has none of this information at this point," stated Timmerman, so when his book went to press, Timmerman gave his information about Iran and Hezbollah's involvement in the Benghazi attack to the FBI because, he writes, "The real scandal of Benghazi did not begin on Sept. 11, 2012, but years earlier. This book will tell that story."

He then traces the history of Moammar Gadhafi's turn to the West, giving up his weapons of mass destruction and support of terrorism. He chronicles the rise of the Arab Spring — supported by Obama — which brought down Gadhafi and Hosni Mubarak in Egypt, leaving the Middle East in chaos. Although Gadhafi and Mubarak were dictators, they were acceptable to the West. Timmerman shows how their loss, and the Obama administration's support of the resulting governments, contributed to the rise of radical Islamists, leading to the deaths in Benghazi.

As noted, *Dark Forces* is more

than a book about Benghazi; it is a book about the U.S. government's clandestine arming of a variety of Middle Eastern rebel groups, many with ties to al-Qaida. Timmerman documents how these lethal weapons turned up in Iraq and Afghanistan and have been used to kill American forces. Others ended up in Gaza and were used against Is-

rael. In an appendix, Timmerman lists weapons that are still missing today, including some that could bring down commercial jets.

A big problem in the Middle East is telling the good guys from the bad. Obama and Clinton have both failed in this identification. Sen. John McCain, R-Ariz., was unable to make the distinction and met with what is now seen as the enemy. All this ineptness led to the Muslim Brotherhood's takeover in

Egypt, causing more loss of life and a second Islamic revolution.

Another problem Timmerman identifies is the distorted view many Western diplomats and politicians hold of Islam. Stevens was a "romantic diplomat, in love with the Middle East and with a mystical version of Islam," states Timmerman. He then shows how this illusion permeates Obama's view of Islam and has contributed to ongoing mistakes in the Middle East.

The most shocking revelation from the book is the number of times Stevens and others in the Libya contingent asked for more security. Every request either was denied or ignored — largely due to Clinton's fear of offending the Libyans. The evening of the attacks, "she played a key role in delaying the arrival of rescue troops. Hilary Clinton did not want to upset the Libyans by making it look like the U.S. military was invading their country," Timmerman writes.

Starting with the claim that an Internet video caused the Benghazi attack, Timmerman argues that the administration's response was a series of lies and cover-ups by Clinton and Obama — including the way Clinton stacked the deck when appointing the members of the Accountability Review Board that investigated Benghazi.

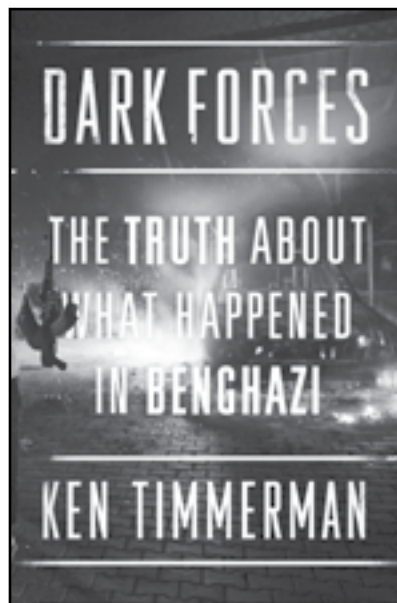
The book is well-researched and documented with extensive notes and a detailed index.

Warning: Any time an author writes about government, the military, or intelligence agencies, the reader enters a maze of acronyms, and this book is no different. As a reader, an index exclusively of acronyms would have been helpful.

Timmerman's book is a powerful and disturbing account of governmental ineptness and cover-ups. Over time, we will learn if Timmerman's discoveries have any impact on the continuing investigation of the Benghazi siege.

One final note: The book does not mention ISIS or the Islamic State, but Timmerman writes about a group of 10,000 jihadist terrorists being trained in the Sinai Desert.

Perhaps he stumbled on what we now know of as ISIS. CJ



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Book Review

Prof. Bell Challenges Assumptions About Benefits of Copyright Law

• Tom W. Bell, *Intellectual Privilege: Copyright, Common Law, and the Common Good*, Mercatus Center, 2014, 227 pages, \$16.95.

BY GEORGE LEEF
Contributor

LIBERALS often say that conservatives “worship” the Constitution, but that’s not true. We have our complaints with it — complaints often centering on its having granted too much power to the federal government.

Consider this authority given to Congress in Article I, Section 8: “To promote the progress of science and the useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries.”

That, of course, is the language underlying our patent and copyright systems. Most Americans assume that we need those systems and would have much less innovation and creativity without them. Are we sure that’s the case, though?

Some experts have questioned whether patents do more good than harm. In this book, professor Tom Bell, who teaches at Chapman University Law School, takes a probing look into our copyright system. His conclusion is that it leaves us worse off than if Congress had never made use of the Constitution’s authority. He would like to see copyright law disappear, even though it’s the very field he teaches.

Copyright, Bell argues in *Intellectual Privilege*, is not like the natural rights people have — rights to use their property peacefully. Instead, copyright is a privilege that government confers

on writers, composers, and other creators. It is a privilege letting them interfere with the natural rights of others by invoking the power of the state against them for infringing on something they have copyrighted.

What about the premise of copyright, that by conferring exclusive rights on writers and other creators, we encourage more books, songs, movies, and other works?

Bell’s answer is that we never have applied copyright to many items that involve creativity and nevertheless enjoy a steady stream of innovations in them. “The designs of clothes, furniture, automobile bodies, and architectural structures have developed without the benefit of U.S. copyright law,” he writes. So perhaps it’s not true that we would suffer a large decrease in output of creative works in the areas where it does apply.

What would happen in the absence of copyright? Bell maintains that instead of relying on the copyright crutch to squeeze the maximum revenue out of consumers willing to pay a high price, creators would look to common law. That is, they would use the same rights everyone else has in contract, property, and tort to make arrangements whereby consumers would pay a small amount for access to their works but then not worry about the legal thickets of “infringement.”

As the law now stands, copyright holders usually try to cash in by charging consumers a profit-maximizing price and having their lawyers and/or the government pursue anyone who infringes rather than pays. But there is a big exception for “fair use” of copyrighted items. People can make some use of copyrighted material so long as it doesn’t go “too far.”

There is, however, no clear line between “fair use” and “infringement.” Bell observes that even law professors easily can find themselves facing a lawsuit over some use they thought was “fair” but the other party claims is “infringement.” We could escape from such costly and pointless litigation by abandoning copyright.

Exactly what arrangements would replace it is impossible to say. Development of those arrangements would not be planned, but would evolve under the spontaneous order of the free market. But a good idea of how things might change can be seen in the way many Americans now enjoy music on their iPods or other devices.

Bell writes, “Before, you did not have to pay to carry your favorite music; now you do. Has that made you worse off? Surely not. Apple’s fared use offers a better deal than analog’s fair use.” By “fared use,” Bell means that everyone pays a small amount

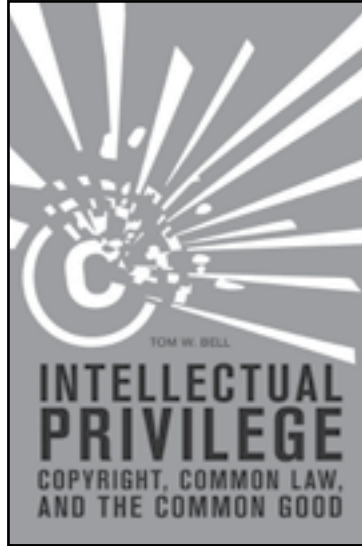
to the producer. Replacing copyright with a common law “fared use” system would benefit everyone except copyright lawyers, who would have to find more useful work.

Another reason Bell finds copyright law objectionable is that it so often has been manipulated on behalf of copyright holders. Congress repeatedly has made the law more beneficial for those who hold copyrights by extending the period of time for exclusive rights. Initially, it was a maximum of 28 years; now it lasts for the life of the author plus 70 years after his death.

An excellent example of the way the law has been manipulated involves the Walt Disney Co. It holds many copyrights, the oldest of them being the cartoon “Steamboat Willie” from 1928. Currently, that copyright will expire in 2023, but Bell thinks it likely that Congress will again extend the duration of copyright due to the lobbying power of Disney.

Would it be bad if we liberated Steamboat Willie so everyone else could make creative use of his image? Certainly not, argues Bell. Disney might not like all of the applications, but America would be better off if Steamboat Willie (and eventually, the other famous cartoon characters) were free for all to copy, distribute, display, or create derivative versions. Same for the vast numbers of other works now locked under copyright.

This is a carefully reasoned and extremely thought-provoking book. Copyright is so much an ingrained part of American life that we have assumed we must always have it. Bell makes you question that assumption. CJ



BOOKS AUTHORED BY JLF STAFFERS



By John Hood
President of the
John Locke Foundation

Selling the Dream Why Advertising is Good Business



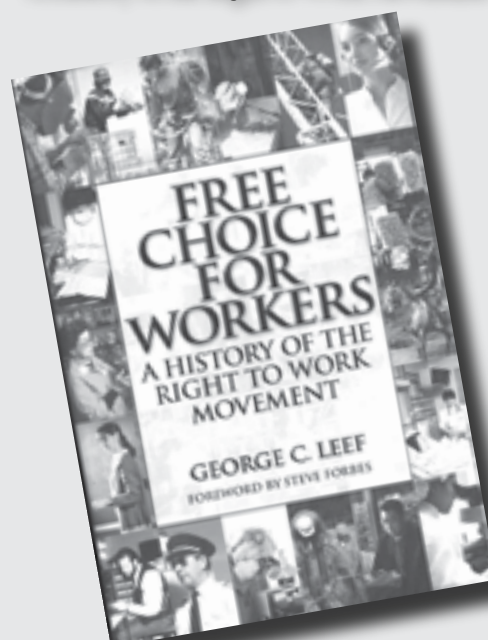
“[Selling the Dream] provides a fascinating look into the world of advertising and beyond ... Highly recommended.”

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COMMENTARY

Stop Dwelling On the Past

As incumbent Democratic Sen. Kay Hagan and Republican challenger Thom Tillis have battled to represent North Carolina for the next six years in Washington, their messages have focused on the past — Hagan's tenure in the Senate, and Tillis' leadership of the state House.

But voters do not elect senators merely to rehash history. Ultimately, their representatives must address current and future concerns. Hagan and Tillis have (at press time) agreed to participate in one more televised debate. If any moderators out there are open to suggestion, here are some forward-looking questions for the candidates that might help voters make their decisions:



**RICK
HENDERSON**

For Sen. Hagan:

- Senate Majority

Leader Harry Reid of Nevada has led what a number of Republican and conservative pundits have called a "do-nothing Senate." The House of Representatives has passed more than 300 pieces of legislation (it's 342 or 352, depending on the source) that have languished in the Senate. Either Reid has refused to bring the measures to the full chamber for a vote, or his hand-picked committee chairs have not introduced them for committee debate.

Do you support these tactics? Have you urged Reid to bring any of these bills to the full Senate?

If you win a second term, would you support keeping Reid as the Senate Democratic leader, and why? If not, name a Democratic senator you would rather see lead your party's caucus.

• During your six years in Washington, Congress rarely has taken up any legislation you have sponsored. What are your legislative priorities for a second term in the Senate? What policies — national, regional, or state-specific — would you champion?

• You have touted your moderate record in the Senate. Name some specific instances in which you have worked with Republicans to pass legislation.

For Speaker Tillis:

• Every Republican Senate candidate says stalling or thwarting President Obama's domestic legislative agenda is a top priority. Other than that, why are you running for the Senate? What areas of public policy do you find particularly energizing or exciting? How would that enthusiasm translate to the Senate?

• Even though you may be at odds with Obama on a number of issues, you would have to work with him for two years. Where do you see potential areas of agreement?

• You have said eliminating the U.S. Department of Education would be a top priority if you were elected. Are there other federal agencies that should be consolidated or abolished, and why?

For both:

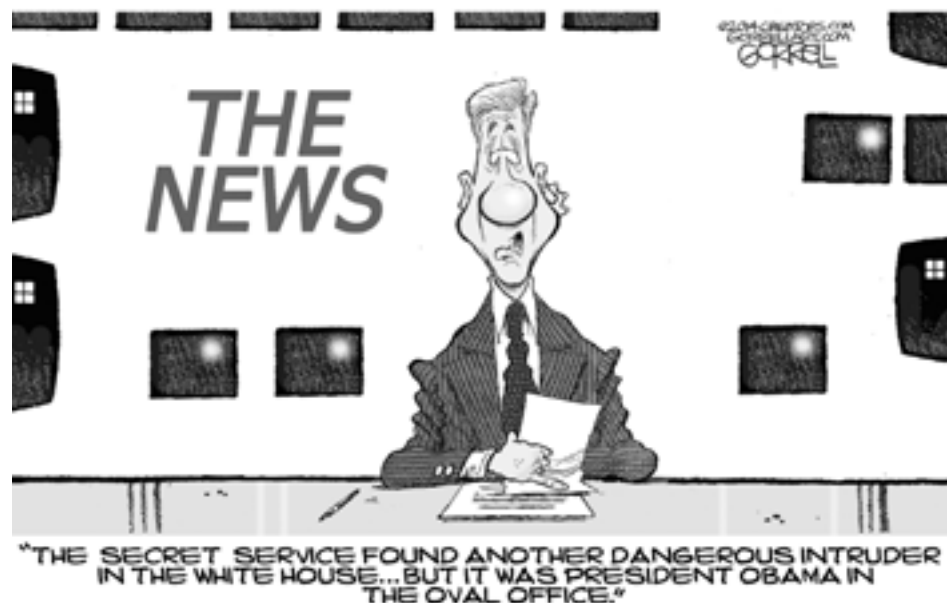
• Over the past 40 years, spending on federal entitlements — health and welfare programs and benefits for retirees — has grown nearly twice as fast as gross domestic product. The Congressional Budget Office predicts that unless Congress makes structural changes in these programs, within a decade spending on entitlements and interest on the debt will consume every tax dollar the federal government collects, and spending on those programs will accelerate over time. The Concord Coalition projects that the federal government will run an additional \$9.5 trillion in deficits over the next decade.

Are you troubled by this trend? If so, what changes would you make in tax policy and entitlements to restore fiscal solvency? How will you sell these reforms to voters — particularly those at or near retirement age — who may be fearful of any alterations to benefits that have been promised to them?

• What do you see as the role of Congress in encouraging domestic energy production, especially in areas controlled by the federal government, such as deep offshore oil and natural gas fields or coal and oil resources on federal lands?

CJ

Rick Henderson (@deregulator) is managing editor of Carolina Journal.



EDITORIAL

State Raised School Spending

As we go to press, polls are showing incumbent Democratic U.S. Sen. Kay Hagan with a slender lead over her Republican challenger, House Speaker Thom Tillis. And Hagan received a minor bump after Labor Day, no doubt as the result of a host of ads from Hagan and allied groups on education funding. The charge that has resonated with voters is the claim that the North Carolina legislature cut education spending by \$500 million under Tillis' leadership.

Nonpartisan fact checkers have judged the \$500 million claim to be false or misleading. But even they haven't explained fully just how far off the mark Hagan's allegation is, because they tend to focus only on the first three years of education budgets rather than the full trend under Tillis, which includes the 2014-15 fiscal year we've now entered.

To evaluate the claim, we need four pieces of information: 1) total state spending on K-12 public schools in 2010-11, the last year in which the General Assembly was in Democratic hands; 2) total state spending on K-12 public schools in 2014-15; 3) a measure of student enrollment; and 4) a measure of inflation.

While we know how much the state of North Carolina spent on public schools in 2010-11, we can't know that for the current school year until sometime in 2015. What we do know is what the state plans to spend this year. To compare apples-to-apples, then, we have to compare the enacted budget for 2014-15 to the enacted budget for 2010-11.

Similarly, while we know how

many students attended public schools in past years, we have only a projected enrollment figure for the current school year. On average, actual enrollment has been lower than projected since the beginning of the Great Recession. Consistency requires that we use projected enrollment.

Finally, there is more than one measure of inflation. To track institutional trends, many economists prefer the gross domestic product deflator, which captures a broad set of producer as well as consumer prices, over the household-oriented Consumer Price Index.

John Locke Foundation researchers pulled all these statistics together and found:

• Total state spending on K-12 education is projected at \$8.6 billion for 2014-15, up from \$7.53 billion in 2010-11. That's an increase over four years of more than \$1 billion, or 14 percent. It followed a two-year drop in state school spending of nearly \$800 million, or 9 percent, under the previous Democratic legislature.

• Both student enrollment and prices went up over the past four years, too. In inflation-adjusted, per-pupil terms, state spending on North Carolina public schools rose 3 percent over the past four years, following an 11 percent drop during the last two years of Democratic rule in Raleigh.

Under Tillis, education spending went up, even after adjusting for inflation and student enrollment. To say that the Republican legislature actually reduced state appropriations to North Carolina's public schools is to misstate the facts.

CJ

EDITORIALS

Consensus on Reform

Education data must be comparable

North Carolina's public schools recently released end-of-grade and end-of-course test scores for the 2013-14 school year. You may have heard something about them, particularly from districts eager to claim a large increase in the share of students who test at or above grade level.

It's a good example of why you shouldn't believe everything you hear.

On average, 56.3 percent of North Carolina students "passed" their tests in 2013-14, up from 44.7 percent last year.

Unfortunately, "passing the test" did not mean the same thing in both years. In 2013, policymakers revised the scoring system. The true gain from 2012-13 to 2013-14 was about 1.5 points, not 11.6 points.

The best measures of North Carolina's public schools are external. The National Assessment of Educational Progress administers rigorous tests to students in grades four and eight.

During the first decade of NAEP testing in the 1990s, North Carolina made impressive gains. In math, for example, the average score of our eighth-graders rose 30 points, more than double the national increase of 12 points.

Around the turn of the century, however, the gains began to level off.

From 2000 to 2013, the nation's average eighth-grade math score rose another 12 points. North Carolina's rose by nine. Nearby states such as Mississippi (17 points), Tennessee (16), South Carolina (15), Texas (15), Louisiana (14), Georgia (14), and Virginia (13) also experienced larger math gains than North Carolina did.

Virtually all of North Carolina's relative improvement in reading and math occurred during the 1990s — before much-touted reforms such as Smart Start, More at Four, or the teacher-pay hikes under former Gov. Jim Hunt could have taken effect.

To the extent public policy had any role in the educational gains of the 1990s, you'd have to go back to the enactment of the Basic Education Program in 1985 (which established minimum standards and funding levels) and its 1989 revision in Senate Bill 2 (which gave districts more autonomy to make their own decisions).

Both Democrats and Republicans generally supported the ideas behind the BEP and Senate Bill 2. Agreement is possible for the next phase of education reform, which should include higher academic standards, rewards for high performance, accountability for low performance, and a diverse array of school choices for parents, students, and educators. *CJ*

Labor Freedom

It's the best bet for North Carolina workers

When governors and state legislatures make their economies freer — through tax relief, regulatory relief, and labor-market reforms — who benefits? Labor unions see the answer as obvious: Only business owners and wealthy people prosper under smaller government. Confiscatory taxes, redistributive spending, and pro-union laws are needed for everyone else to enjoy real gains in income and living standards, they say.

Unfortunately for them, their claim is empirically testable. Furman University economist Jeffrey Yankow has just done so in a new study for the *Journal of Regional Analysis and Policy*. His conclusion is that, all other things being held equal, states with greater economic freedom experience higher average wage growth than states with less economic freedom do.

Yankow's study measures wage trends over the last two decades of the 20th century using a cohort of 12,868 workers tracked by the National Longitudinal Survey of Youth. To rank

the states by their economic policies, Yankow uses the Fraser Institute's *Economic Freedom of North America*, which includes tax, spending, and regulatory variables.

According to the simplest models in the study, state economic freedom has a statistically significant, moderately positive effect on worker wages. And when Yankow constructs a more complex model to control for a wide range of state-specific factors, the effect grows far stronger.

Yankow isn't alone. Peer-reviewed academic journals since 1990 have published 33 other studies of state economic freedom. Three-quarters of them have found positive, statistically significant links to such measures as income growth, gross domestic product growth, and job creation.

The good news for North Carolina workers is that our legislature has been reversing a host of taxes and regulations that have depressed their earnings and made them less free. *CJ*

COMMENTARY

UNC System Makes Progress

When Republicans won their legislative majorities in 2010 and expanded them in 2012, they ran on a platform of fiscal conservatism and reform. They've largely delivered on it. Tax and regulatory burdens are lower. State spending growth has been restrained. Lawmakers have implemented major changes in transportation funding and education policy.

Many liberals have responded to political changes in Raleigh with scorn, derision, or opposition. Among the most vociferous critics have been left-leaning professors firmly ensconced on campuses of the University of North Carolina system.

The phenomenon concerns me primarily because of what it says about the lack of ideological diversity on most campuses, a deficiency that doesn't just harm conservative or libertarian students. All students need to be exposed to a range of ideas, interpretations, and schools of thought. That's what truly liberal education is all about.

Interestingly, while politically active professors have excoriated state leaders with hyperbolic screeds, those who run UNC campuses have responded more constructively to the legislature's demand for greater efficiency and accountability. Some felt they had no choice. But others recognized that the real cost of a UNC education — tuition and fees plus public subsidy — had been growing faster than its value to students and taxpayers.

In the aftermath of the Great Recession, the UNC system really did tighten its belt. The state's General Fund appropriations per full-time-equivalent student had reached an inflation-adjusted \$16,184 in 2008-09. By 2013-14, real General Fund spending per FTE had dropped by 20 percent, to \$12,869. While UNC has offset some of the decline in state funding with higher student charges and private fundraising, it also has reduced its operating costs.

I don't mean to suggest that the system has exhausted all opportunities for budget savings. Many professors still need to shoulder greater teaching responsibilities, for instance. But fiscal conservatives

should give credit where it's due. When it comes to efficiency, UNC has made real progress.

At least as promising is the system's new emphasis on accountability. At UNC-Chapel Hill, for example, academic departments are introducing a new measurement system this fall that provides not just a student's grade but also data with which to put the grade in

context, such as average class grades and percentiles. Student grade point averages will be adjusted to reflect the difficulty of classes they take. These measures are designed to combat rampant grade inflation. In 2009, 82 percent of all the grades given at UNC-Chapel Hill were As and Bs.

More generally, the UNC system is implementing a new system for

post-tenure review to ensure that longtime faculty members continue to fulfill their teaching, research, and public-service responsibilities. Instead of deferring to other professors to conduct gingerly post-tenure reviews, the new policy will require both department heads and deans to conduct serious faculty evaluations. The reform has at least the possibility of providing meaningful oversight to some of the state's highest-paid employees.

Republican lawmakers and conservative reformers don't disdain higher education. They simply want public colleges and universities to set higher standards, hold both students and faculty accountable for results, and deliver the highest possible value for every tax dollar spent. North Carolina traditionally has subsidized its public universities much more than most states have. But this practice does not appear to have generated better outcomes for North Carolinians over time, according to such measures as college attendance, college graduation, or economic growth. Other states either have achieved similar results at a lower cost to taxpayers, or achieved better results at a similar cost.

North Carolina can do better. And over the past five years, the UNC system has taken significant steps toward getting better. *CJ*

John Hood is chairman of the John Locke Foundation.



JOHN HOOD

MEDIA MANGLE

Something Dirty In the Pool

My first executive editor once about had a coronary when he heard that a reporter in our newsroom had allowed a public official to read a story before we published it. (And, no, it wasn't me.)

That just wasn't done, and the reporter who allowed it had violated one of the strict codes of journalism. To allow a news source to see one's copy before your editor had seen it, and before it was published, made one's copy suspect.

Did the source pressure the reporter to make changes, even subconsciously? Did the reporter later de-emphasize this, or emphasize that, as a result of the consultation with the news source? An editor could never know, which is why it just wasn't done.



**JON
HAM**

I know that much has changed in journalism in the 40-plus years since I first began doing it, much of it bad. Still, even with all that, what we learned in late September about the White House press corps was shocking.

The pool reports, those reports by one reporter who is allowed to attend an event and report back to the rest of the press corps, have routinely been perused and even edited by the flacks in the White House.

Here's what *The Washington Post* reported on Sept. 23:

Journalists who cover the White House say Obama's press aides have demanded — and received — changes in press-pool reports before the reports have been disseminated to other journalists. They say the White House has used its unusual role as the distributor of the reports as leverage to steer coverage in a more favorable direction.

The disputed episodes involve mostly trivial issues and minor matters of fact. But that the White House has become involved at all represents a troubling trend for journalists and has prompted their main representative, the White House Correspondents' Association, to consider revising its approach to pool reporting.

So let's think about this for a moment. The Obama administration has been doing this for six years, and suddenly it's an issue? No one has complained to the White House press flacks in all those years about this practice? All of a sudden the White House Correspondents' Association sees a problem? Can you imagine how quickly the WHCA would have screamed bloody murder had George W. Bush done this?

My first executive editor is turning in his grave. It's not surprising that the modern-day press also has not batted an eye over the fact that for the first time in history no reporter is embedded with the military in Obama's foray into Syria against ISIS.

The result is Pravda-like spoon feeds that they lap up without a whimper, just as they meekly let White House press office flunkies edit their pool reports to make President Obama look good. CJ

Jon Ham is a vice president of the John Locke Foundation and publisher of Carolina Journal.

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"LAUNCHING"
the CAN
DOWN the
ROAD?

YOU can't KICK IT
without BOOTS
on the GROUND...



The ISIL STRATEGY

www.journalism.com/2014/09/23/

Population Growth and our Future

North Carolina has been a state on the move — literally. As a result of people moving to North Carolina from other states, the Tar Heel State has moved up in the population rankings. In 1970 North Carolina ranked 12th among the states in population. Today, with a population just shy of 10 million, our state is the 10th most populous and will soon pass Michigan for 9th place.

It wasn't always this way. Until the 1970s, North Carolina's population growth significantly lagged the national rate. Part of the reason was the state's rural geography, with few large cities to attract households, particularly residents from foreign countries. Also, as agriculture mechanized and Northern manufacturing developed, thousands of North Carolinians left the state for jobs and homes in the North and Midwest.

But this all turned around in the last three decades. North Carolina consistently has placed in the top five states for in-migration, which measures the movement of households from state to state. More households have been moving to North Carolina than have left. Since the 1980s, in-migration has accounted for over half the state's population growth, with people moving here from other countries — termed immigration — accounting for another 16 percent. Clearly, the "people magnet" that North Carolina has become plays a major role in its rapid population and economic expansion.

Will this growth continue? Professional demographers think so. These experts predict North Carolina's population will reach 11.6 million in 2030. I've used a similar methodology to project the state's population attaining 13.4 million in 2050. The rates of increase will gradually slow (21 percent from 2010 to 2030, and 16 percent from 2030 to 2050), but North Carolina's population growth rates are projected to be higher than the nation's over the coming decades.

Yet with birth rates expected to remain low in the future, North Carolina's population growth will depend on continued in-migration. Three major factors have drawn people to our state. First is job growth. Even including the Great Recession, North

Carolina has had faster job growth than the nation in the past two decades.

Second is affordable housing. Studies show interstate movers are attracted to states with modestly rising housing costs. Again, in the last two decades housing prices in North Carolina have risen more slowly than the national average.

Last, movers appear to like warmer states with plenty of sunny days and temperate winters where heating costs won't be a big burden. North Carolina — like most of the South — certainly fits this bill.

Of course, a big question is whether these positive features of North Carolina will persist in coming decades. As the state grows and becomes denser, home prices could rise faster. Also, a scenario can be developed in which the state's lower rate of educational attainment relative to many other states makes it a prime candidate for massive unemployment as robots and technology replace humans in many workplaces.

Some even question whether the sunny South will remain attractive if climate change results in significantly higher temperatures. Then, currently colder northern states may become the temperate regions in which to live.

So the projections for North Carolina's continued population growth — largely based on people moving here — have to be viewed through the lens of uncertainty about what might happen in the future to the state's current drawing cards.

Finally, there is even a deeper question as to whether population growth is desirable. This is an old debate, and there are two distinct camps. One says a thriving, growing economy needs more people to stoke the innovative fires constantly and create more productive and efficient businesses. The other side strongly disagrees, arguing innovation can happen even with a stagnant or slow-growing population; moreover, the argument goes, no or slow growth saves precious limited resources that can't be replaced.

One of the key components of visualizing the future is population size. Although forecasts can be made, they are not infallible, mainly because the future is so cloudy. Still, to plan for what kind of economy we'll have, we have to start with the major ingredient: the number of people. CJ

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



**MICHAEL
WALDEN**

Probing the Dip in Ed School Enrollment

According to a recent television news report, enrollment in undergraduate and graduate teaching programs in the University of North Carolina system has dropped nearly 18 percent since 2010.

In response to these findings, a handful of pundits suggested that Republican legislators played a role in discouraging students from entering the teaching profession. Michael Maher, assistant dean of the College of Education at N.C. State University and a frequent critic of Republican legislators, blamed “a really negative climate around teaching and teachers right now.”

UNC officials and others claim that state legislators have created this negative climate by “underfunding” and disrespecting public schools. N.C. Public School Forum President and Executive Director Keith Poston declared that the General Assembly needed to make a “sustained commitment” to the teaching profession in order to avert “a very real teacher shortage crisis on the horizon.”



**TERRY
STOOPS**

But how much blame does the Republican majority in the N.C. General Assembly deserve for the drop in education students? The issue is not as cut-and-dried as some would have you believe.

First, attempts to assign blame to one possible factor are based mostly on speculation and anecdote. We have no empirical research that outlines the many factors that students consider when they choose a major at a UNC system institution.

Indeed, research studies have failed to identify the combination of factors that college students use to select a major. Higher education researchers have focused on the issue of anticipated earnings, reasoning that college students select a major based on their perceived ability to earn an income both in the short and long term. Nevertheless, a number of studies confirm college students do not have consistent access to reliable wage information and interpret the data inconsistently or inaccurately when they do.

Moreover, a focus on initial or lifetime wages ignores other critical factors, such as attitudes, aptitudes,

and gender roles. Obviously, one’s attitudes toward a discipline may be informed by the state and national political environment (to the extent that the student is aware of it), but it is more likely the attitudes are acquired over the 17 or more years prior to enrollment.

In addition, aptitudes and ideas about gender roles may limit the choice of major. Students who have struggled in their math courses typically will avoid majoring in engineering or the hard sciences. Likewise, a male student may choose to avoid nursing or elementary education because they are female-dominated fields.

Second, we should be attentive to enrollment trends generally. According to the TV report, of the 14 UNC institutions that offer undergraduate or graduate education degrees, Elizabeth City State University, UNC-Asheville, and Winston-Salem State University had the largest percentage declines in education school enrollment. But the report failed to mention that some of the drop could be attributed to the fact that all three had lower undergraduate and gradu-

ate student enrollment in 2013 than they did in 2010. If total enrollment drops, then there is a good chance that education school enrollment will fall as well.

Third, North Carolina is following a national trend. According to U.S. Department of Education data for public and private universities, traditional teacher education enrollment fell 9 percent nationwide between 2010 and 2013. In fact, 28 states and the District of Columbia lost teacher education students over the past three years.

The states with the largest declines in enrollment include high teacher salary states such as California and Illinois, and lower-salary states including Oklahoma and Alabama, controlled by both Democrats and Republicans. In the Southeast, Alabama, Georgia, Louisiana, and South Carolina had larger education school enrollment drops than North Carolina.

Without a doubt, state-level legislation and policy play a key role in the health of our public institutions, but so do many other factors that fall outside of the authority and control of government. CJ

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



Women’s ‘Advocates’ Holding Women Back

When I hear advocates claiming to represent women tell us we need to focus on “women’s issues,” I roll my eyes and try not to be insulted. I thought we’d gotten past the days of patronizing the “little ladies” with special treatment and a “don’t worry about it, government will take care of you” message. Especially disturbing is that some of this dependency nonsense comes from other women — women who should know better but choose to push a cynical political message rather than a supportive, reality-based view of women in 2014.

I went to a Southern women’s college in the 1970s. It was empowering. I read Gloria Steinem. I had lunch with Betty Friedan. I’ve been married, owned four houses, started and sold a business, been an employee and an employer, had three children and one major surgery, and bought insurance and automobiles. What I know is that women’s issues, women’s health, and women’s rights are just like everyone else’s.



**BECKI
GRAY**

To set us aside, to put us in a box, to make us into a voting bloc, to define who we are and what we can become because we are women is unfair, demeaning, and narrow-minded. Like women all over North Carolina, I have worked hard to be seen and treated as an equal. I am proud of where we are. I thought we had moved past the past. What I didn’t expect is that other women would try to drag us back.

What are women’s health issues? Some argue that women’s health concerns are limited to abortion and birth control. It goes way beyond contraception. Menopause, cervical and ovarian cancer, osteoporosis, and pregnancy care are also women’s health issues. Women’s health issues include heart disease, aging, care giving, depression, diabetes, thyroid and lung diseases, foot care, sleep disturbances, urinary tract infections, and — OK — weight control. Doctors and medical experts encourage women to take charge of their health, to make educated decisions, to take personal responsibility. And that includes much more than contraception.

Instead of government mandates requiring that all insurance policies cover birth control (as under Obamacare), a better approach would be an

open market for all kinds of insurance coverage, letting women and men choose a policy that best fits their needs. Abortion is not just a women’s issue. If there is a need for an abortion, there is a man involved, and often a family, friends, and other children. Ensuring a safe, clean, medically appropriate environment for a medical procedure is everyone’s issue.

Some would have us believe there is one set of issues for the “little ladies” and one for everybody else. We can roll with the men here.

Women care about low taxes, keeping more of our money to spend and invest as we choose. Every rule and regulation has a cost associated with it and affects anyone who has to comply. We care about transportation, national security, the environment, the economy, and immigration. Women are entrepreneurs, investors, business owners, and job creators — just like men. We accept and embrace personal responsibility for ourselves and know how to enjoy the fruits of our labor. We care deeply about the future of our country.

Domestic violence is not a women’s issue. It’s a human rights issue. It’s a dad issue and a mom issue when little boys are taught that it’s OK to hit or abuse. To say that domestic violence is solely a women’s issue

sidesteps the root of the problem and marginalizes responsibility.

Equal pay? It’s not just a women’s issue. It’s an education issue and a work issue. No one is entitled to a guaranteed pay. But as Americans, we are entitled to a good education and equal opportunity. Salary, workplace opportunities, and success are employee/employer issues, equally applicable to both genders, all races, and all ages. To say it is a women’s issue encourages entitlement over skills.

Women’s rights are protected under the U.S. Constitution and the N.C. Constitution. We got the right to vote in 1920, the right to own property on our own in the 1840s. We get to hold public office, get an education of our choice, pursue a career, be a parent, own and drive a car, borrow money, start a business, own a gun. We are entitled to all the rights of being a citizen, just like everybody else.

Don’t listen to those who would set us aside, limit the discussion to some special interest, or confine us to a voting bloc. Tell them to treat us just like everybody else. We can handle it, even if they can’t. CJ

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

USDA Promoting Organic Food Certificates for N.C. (a CJ parody)

BY HERB E. SIDE
Agriculture Correspondent

RALEIGH

Taking a cue from the renewable energy industry, the U.S. Department of Agriculture has decided to issue Organic Food Certificates to encourage Americans to eat healthier.

The program to promote what federal officials call eating-habit change will be modeled after the Renewable Energy Certificate program requiring power companies to replace fossil fuel production with renewable energy sources such as wind and solar.

The REC program, administered by the states and the private sector, with support from the U.S. Department of Energy, encourages consumers to increase their use of renewable power, and supporters hope the OFC program does the same for healthy foods.

"We hope state legislatures will mandate a 20 percent Organic Food Portfolio Standard for food producers in their state by 2018," said Agriculture Secretary Tom Vilsack.

According to Vilsack, organic food producers will be able to register with regional certification agencies run by individual states or groups of states. A certified producer can claim one OFC for every 1,000 pounds of food it brings to market.

While the OFC program will be run by individual states, the federal government will have a major role in developing uniform concepts and measures for the states to use.



Some stores in Carrboro, Durham, and Asheville already are part of the OFC pilot program to deal in Organic Food Certificates. (CJ spoof photo)

Producers of nonorganic food can buy OFCs to fulfill their obligations to reach the 20 percent OFPS. Proceeds from the sale of OFCs will be split between the brokers and the original OFC producers. The program is based on the theory that additional revenue will encourage organic food producers to increase their capacity to produce even more organic foods.

The market for OFCs will be national. For example, North Carolina food producers of nonorganic food, such as large-scale poultry farmers, could buy credits from an OFC broker that purchased certificates from a certified Florida organic tomato grower. The actual sales of the poultry and tomatoes will not be included in the market for OFCs.

"I know this program is a little complicated, but so is the REC program," said Vilsack. "We don't expect most people will understand OFCs, but we hope they will support it because they know it is based on good intentions. Eating-habit change cannot be ignored."

The U.S. Department of Agriculture enlisted North Carolina as a testing ground for a national campaign to move Americans to support the organic food movement because it has key areas of the state that already have embraced eating-habit change.

"Carrboro, Durham, and Asheville already are centers of this new movement," Vilsack said. "We specifically looked for areas where people are so supporting of eating-habit change

that they are willing to spend as much as twice as much for their food just to ensure it is organic and sustainable."

Vilsack praised first lady Michelle Obama for being one of the pioneers of eating-habit change. "When she planted those organic vegetables in the White House garden, she kicked off this movement toward natural and organic foodstuffs and away from diets dominated by processed, preservative-laden foods," he said.

"The beauty of the OFC program," Vilsack explained, "is that people who can't find natural, organic, and sustainable foods in their neighborhoods can buy certificates that help people who grow and produce these superior foodstuffs."

Some people live in "organic deserts," he said, where the only food available is the kind that their parents, grandparents, and great-grandparents had to eat for all those decades. "And who would want to do that?" he asked, rhetorically.

Vilsack explained that the first lady was in favor of executive orders and mandates to require people to produce only organic and natural foods, and for customers to eat only those foods, or else be subject to an IRS audit.

"We convinced her, though, that the OFC program would be better, because the growth in consumption of these superior foods would be able to grow organically, as it were," he said. CJ

E.A. MORRIS

FELLOWSHIP FOR EMERGING LEADERS

The E.A. Morris Fellowship is seeking principled, energetic applicants for the 2015 Fellowship class.

Applications available online or at the John Locke Foundation. Application deadline is December 8, 2014.

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

Eligibility

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

Timeline

Sept. 15, 2014: Application period opens

Dec. 8, 2014: Application period closes, applications due

Jan. 5, 2015: Finalist notification & invitations to Selection Weekend

Jan. 31-Feb. 1, 2015: Hello/Goodbye Gala & Selections Weekend

March 20-22, 2015: Retreat 1 — Pinhurst, NC

June 12-14, 2015: Retreat 2 — Blowing Rock, NC

Oct. 17-19, 2015: Retreat 3 — Coastal NC



www.EAMorrisFellows.org

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