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# CAROLINA JOURNAL

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

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STATEWIDE EDITION

## Perdue Campaign Advised Stubbs on Flights

Campaign staffers advised him of 'variety of ways' to handle flights

BY DON CARRINGTON  
Executive Editor

RALEIGH  
Officials of Gov. Bev Perdue's 2008 campaign advised New Bern attorney Trawick "Buzzy" Stubbs on a "variety of ways" to handle the nearly \$30,000 in unreported flights he provided to the campaign, according to a Board of Elections report.



Gov. Beverly Perdue

The report, by Kim Strach, the Board of Election's deputy director of campaign reporting, was in the possession of the State Board of Elections on Aug. 24 when it ruled that there was



Board of Election members Bob Cordle, Chairman Larry Leake, and Charles Winfree listen as Perdue campaign attorney John Wallace makes his presentation at the Aug. 24 board meeting in Asheville. (CJ photo by Don Carrington)

no intentional wrongdoing on the part of the Perdue campaign in its tardy reporting of the flights, which spanned the period from January 2007 to December 2008.

The campaign paid for none of them until May 2009.

In her report, Strach wrote that Stubbs "stated that he had been told a variety of ways [by the Perdue campaign] the travel payments could be

handled and that he often was not comfortable with the information that he was being provided." Stubbs did not disclose fully which campaign officials advised him, when they spoke with him, and what they suggested he do.

The discussion between Stubbs — a seasoned political donor who has reported 255 campaign contributions to state or local candidates or committees

over the past two decades — and Perdue campaign officials shows a greater involvement than has been admitted by the campaign in efforts to find ways to report, after the fact, flights that violated state campaign law.

Even though at least 42 flights



Board of Elections investigator Kim Strach

from Stubbs and others to the Perdue campaigns of 2004 and 2008 were not reported in a timely manner, the board's three-member Democratic majority rejected a proposal to convene public hearings on travel provided to the Perdue campaign by Stubbs

and others. Instead, on Aug. 24 the board fined the campaign \$30,000 and found "no intent of wrongdoing."

Improperly reported and undisclosed private flights provided to former Gov. Mike Easley's campaign led the board last year to convene public hearings and take testimony under oath from donors and others. As a re-

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## University Administrative Bloat Rising

Wake Forest spent most on administration from 1993 to 2007

BY KAREN McMAHAN  
Contributor



RALEIGH  
A study released Aug. 17 by the Phoenix-based Goldwater Institute shows a steep rise in the number of administrative employees relative to the size of faculty and student enrollment at 198 of America's leading public and private universities.

Wake Forest University led the

nation in "administrative bloat," with a startling 369.7 percent increase in the number of administrative positions, versus the average increase of 39.3 percent.

Between 1993 and 2007, the number of full-time administrators per 100 students increased by 39.3 percent, while the number of full-time teaching, research, and service employees

grew by just 17.6 percent. At roughly 14.5 percent, student enrollment grew even less over that period.

Inflation-adjusted spending on administration per student increased 61.2 percent, much faster than the 39.3 percent increase in inflation-adjusted spending on instruction per student.

Study data were drawn from the Integrated Postsecondary Education Data System (IPEDS). Researchers Jay Greene, Brian Kisida, and Jonathan Mills focused on the 198 leading U.S. universities that IPEDS identified as four-year colleges that both award doctorates and conduct high or very high levels of research. Study data included "all state flagship public universities as

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## Ariz. Law Puts N.C. Sanctuary Cities in Spotlight

By SARA BURROWS  
Associate Editor

RALEIGH

The notion of “sanctuary cities” around the country may face heightened scrutiny from a provision in S.B. 1070, Arizona’s new law targeting illegal immigration. The provision prohibits counties, cities, and towns from adopting “sanctuary” policies that limit the enforcement of federal immigration law to less than the full extent permitted by federal law.

An op-ed by former Immigration and Naturalization Service general counsel William P. Cook, published July 30 in *The Wall Street Journal*, said U.S. District Judge Susan Bolton’s decision to uphold that provision in the law — while reversing several others — set a precedent for other states to crack down on what he called “renegade localities” that refuse to take part in immigration enforcement.

Chatham County Commissioner George Lucier hopes North Carolina doesn’t follow Arizona’s lead.

“I think it’s wrong for the federal government to ask local governments to deal with what it hasn’t been able to deal with,” Lucier said.

Chatham County has been labeled a “sanctuary county” for adopting a resolution last year “in strong opposition to any local governmental agency contracting with the U.S. Immigration and Customs Enforcement for the purpose of enforcing federal immigration laws.”

Lucier begrudges the sanctuary label, saying most counties choose not to enforce federal immigration laws. Unlike most other jurisdictions, which quietly have decided not to invite ICE — the successor to INS — he said, Chatham County has put the policy in writing.

Only nine North Carolina counties participate in Section 287(g) of the federal immigration law. It’s a voluntary program letting local law enforcement agencies partner with ICE agents to identify, process, and deport illegal immigrants. ICE trains and supervises local police in federal enforcement actions.

### Secure Communities

In contrast, 39 counties have signed up for a more modest enforcement program — Secure Communities. It’s a fingerprint-sharing system that notifies ICE automatically when illegal aliens end up in county jails.

Forsyth County joined in August. Sheriff William Schatzman said he’s tried to go further, volunteering to enroll the county in Section 287(g), but the federal government hasn’t taken up his offer.

Schatzman says there is a waiting list of counties that would like to participate in the 287(g) training program, but ICE has agreed to partner with only a handful. Out of 3,141 counties in the country, fewer than 50 have received the four-week training and therefore the authorization to assist with the deportation process.

Schatzman first volunteered his jail and law enforcement personnel to ICE in 2007 and expressed his interest in the program again last spring. He got no response.

“We have people in Forsyth County who are angry at me personally for not doing more on immigration,” Schatzman said. “They don’t understand we’re doing all we can by law.”

### Financial stress on locals

Chatham County’s Lucier calls Arizona’s law an unfunded mandate. He said cost is keeping most counties and cities from participating in deportation efforts.

“Local governments now are under tremendous stress,” he said. “We’re sort of the bottom of the barrel when it comes to funding — where the rubber meets the road in terms of funding schools, health services, and social services.”

Lucier said Chatham County — which is 15-percent Hispanic — has not experienced the negative effects sometimes associated with illegal immigration.

“People worry about unemployment, crime, and tax increases,” he said. “We have not experienced any of those.”

Small jails and limited law enforcement personnel are the primary reasons the county chose not to participate in ICE’s program.

“Our jail is over capacity 62 percent of the time,” Lucier said. “Any uptick in jail activity would require us to

build a jail sooner than we would be economically able to do, unless we delayed construction of one of our schools.”

### Unfunded mandate

Ron Woodard of NC Listen, a group advocating tougher immigration enforcement, said the unfunded mandate argument is a bit of a red herring. “Local law enforcement has gotten involved in [enforcing] all kinds of big issues, like drugs,” Woodard said. “I don’t think anyone would say they don’t want their local police involved in [preventing] drug trafficking.”

Woodard added building schools sounds nicer than building jails, but “the largest cost of immigration is [public] education,” so adding jail beds might actually be cheaper.

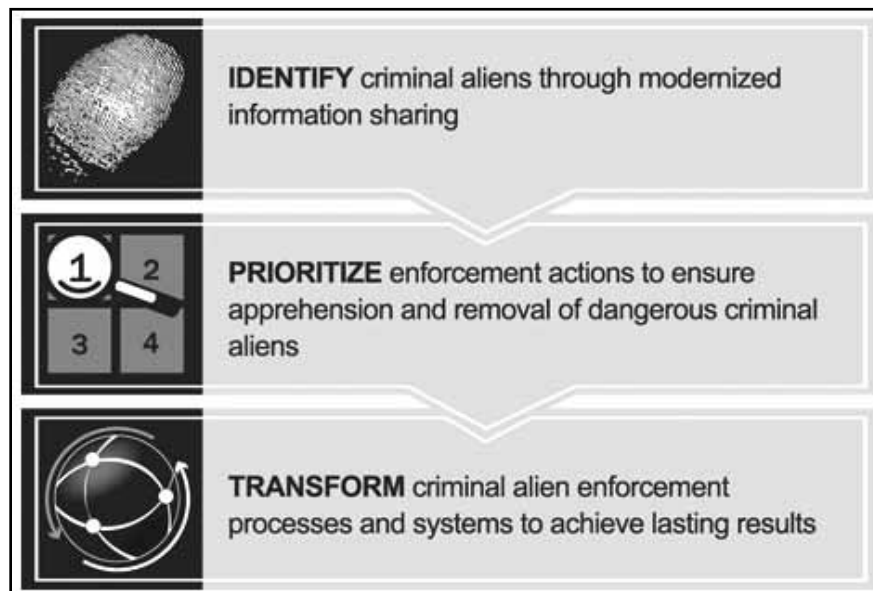
Homeland Security Secretary Janet Napolitano wants all U.S. counties eventually to join Secure Communities, and Woodard wonders why more North Carolina counties haven’t signed on.

“It’s one thing to say I don’t want to train my law enforcement personnel to detain someone for speeding,” Woodard said. “It’s another thing to say I don’t have time, once you’re already in my jail, to run your name through a database.”

While Lucier and Woodard agree securing the border is the ultimate solution, Woodard said a third of illegal immigrants could not have been caught at the border. They are here on expired visas, and ICE needs cities and counties to help “ferret them out.”

Lucier said it’s not that simple.

“What do you do with a person who has been here 15 years, has paid taxes, and is a contributing member of the community?” he asked. “What happens to the children who were born here? Those are the issues the federal government needs to come to grips with.”



The ICE website identifies “three pillars” of its Secure Communities program. They constitute a “comprehensive plan to identify and remove criminal aliens,” according to the site ([http://www.ice.gov/pi/news/factsheets/secure\\_communities.htm](http://www.ice.gov/pi/news/factsheets/secure_communities.htm)).

# Pro-Lifers Balk at Abortion Coverage in UNC's Health Care Plan

## National group says plan funnels tax dollars to abortion

By DAVID N. BASS  
Associate Editor

RALEIGH

Pro-lifers are riled over a new policy in the University of North Carolina system requiring students who don't already have health insurance to purchase university-provided coverage that, by default, pays for elective abortions.

The pressure has prompted the UNC Board of Governors to backtrack twice — once by creating an opt-out for students conscientiously opposed to abortion, and again by establishing two distinct policy groupings to ensure that the premiums from students who oppose abortions won't fund the procedures.

Even so, pro-life groups say the concessions are window dressing and fear that federal dollars might be funding abortions illegally through student aid.

"It would seem that the UNC decision of creating an 'opt-out' policy was only symbolic in nature," wrote Kristan Hawkins, executive director of the national pro-life group Students for Life, in a letter calling on Gov. Bev Perdue to investigate further.

Pro-choice advocates call the decision "beyond fair" and say that abortion is basic health care for women.

"Abortion is considered part of a comprehensive health plan, which is why more than 80 percent of private plans currently cover abortion," said



UNC President Erskine Bowles said students could opt out of abortion coverage, but that they would get no reduction in premiums on their plans. (CJ file photo)

Paige Johnson, a spokeswoman for the abortion provider Planned Parenthood of Central North Carolina.

### Policy shift

The Board of Governors approved the revised plan for the system's 16 campuses in August 2009. It mandates that students who aren't covered by another plan, such as through a parent or employer, purchase coverage through the South Carolina firm Pearce & Pearce.

Students' premiums average around \$360 per semester. For opted-in students, the plan covers elective abortions — those deemed medically unnecessary — up to \$500 for each procedure,

with a 20-percent deductible for in-network providers.

Those who can't afford the insurance can get the coverage free under their school's financial aid program.

The health insurance mandate applies to students enrolled at UNC system campuses provided they are taking six or more credit hours as undergraduates (or one hour for graduate students), are degree-seeking, and are eligible to pay the student health fee. The UNC system is state-run and taxpayer-funded.

After Students for Life objected to the abortion coverage, UNC system President Erskine Bowles said that students enrolled in the health insurance plan would be e-mailed and given a chance to opt out.

"No student, therefore, will be required to have this coverage as part of our new health care plan, nor will they be paying for anybody else to have this coverage," Bowles said.

Dropping the coverage wouldn't lower students' premiums, Bowles added.

"It has no effect on cost, before or after," he said.

### 'A huge red flag'

That has Sarah Hardin, president of North Carolina State University's chapter of Students for Life, worried.

"The new opted-out version of the plan that they say doesn't go to fund abortion is the exact same price as the old plan," she said. "That raises a huge red flag for me."

If the UNC system insists on mandating coverage, abortion shouldn't be in the standard plan, Hardin said. Instead, students should be allowed to opt in for abortion coverage. But she

added that abortion shouldn't be considered standard health care.

"It's not health care for the pre-born child, it's not health care for the mother," she said. "It's not quality health care."

Pro-lifers also say that federal taxpayers could be subsidizing abortions in the UNC system. Students who qualify for assistance can get the plan, plus the abortion coverage, at no cost, meaning that taxpayer dollars would be funding the procedure, possibly in violation of federal law that bans publicly funded abortions.

In response, UNC system spokeswoman Joni Worthington said that health insurance costs are a permissible addition to the total cost of attendance used in calculating student aid.

"Guidelines do not address the scope or detail of specific health plans or coverage," she said. "We are confident that our processes fully comply with federal financial aid policies and guidelines."

The State Health Plan of North Carolina, which provides insurance for teachers and state employees, covers elective abortion. Plans for county and municipal employees frequently do as well.

Earlier this year, a handful of local governments revised their coverage to exclude abortion. *Carolina Journal* found that the state's most populous urban centers — including the Triangle, Triad, and Charlotte-Mecklenburg area — cover abortions into the second trimester.

Counties and municipalities in the west and east — such as Asheville, Wilmington, Buncombe County, and New Hanover County — also offer the benefits.

### Health care reform V. 2.0?

While the Board of Governors weighed the mandated system last year, Congress was embroiled in a similar debate over President Obama's health care reform package. The final version, approved by Congress in March, penalizes Americans who don't buy health insurance.

During their August 2009 recess, many lawmakers faced scorn at local town hall meetings over the health care overhaul from Americans concerned it gives too much power to the federal government. Opponents also feared that the new health care mandates would funnel taxpayer dollars to abortion.

Republican U.S. Sens. Tom Coburn of Oklahoma and Orrin Hatch of Utah recently introduced legislation that would exclude elective abortion coverage from the new law. Lawmakers introduced a companion bill in the House in April. Neither has been voted on.

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# Federal Insurance Pool Could Be Risky For Taxpayers

BY KAREN WELSH  
Contributor

RALEIGH

**T**wo plans. Two options. Too many?

Currently North Carolina and the federal government are offering separate, side-by-side plans to provide health insurance to individuals with pre-existing conditions. Insurance providers often find these individuals too expensive to cover under traditional plans, so the high-risk pools are set up to reduce some of the costs of coverage.

To date, 4,162 individuals have registered in the state program, paying an average of \$561 a month, and 158 have enrolled in the federal pool, paying one-third less than those enrolled in the state pool.

Both options are considered temporary, stopgap measures until the Patient Protection and Affordable Care Act takes full effect in 2014.

Michael Keough, executive director of Inclusive Health, the umbrella organization that administers both programs, said there are 100,000 people in North Carolina with pre-existing conditions who are eligible for either the state or federal option.

He said the state was taking on subscribers at a slow but steady rate before the federal option opened for enrollment July 1. The federal pool, however, offers not only lower premium rates, but also better benefits, and — in some cases — subsidies, enticing those entering the high-risk pool to skip the state plan in order to save money.

"The state option is a great benefit to those with pre-existing health conditions," Keough said. "The federal plan is even better. It's all good. They are a step in the right direction for health care."

But the federal option has some critics concerned about its sustainability — and its likely burden on taxpayers.

Joseph Coletti, director of health and fiscal policy studies at the John Locke Foundation, said the original North Carolina high-risk health insurance pool, which made its debut 18 months ago to the residents of the state, made sense in the way it was funded.

"The state option is not being paid for by our taxpayer's pocket," he said. "The bill provided fiscally prudent language. It was not set up with tax money, and it's not subsidizing people."

North Carolina Insurance Commissioner Wayne Goodwin said he and a number of legislators worked together to create a responsible state pool.

"I'm always trying to find the most fiscally prudent route for insurance," he said. "That was the case here.



It was good business sense. It's good government."

Both Keough and Goodwin said the state option was set up and funded initially with a one-time, \$5 million transfer from the Health and Wellness Trust Fund. Premiums are expected to allow the program to be self-sustaining.

There are also safeguards built into the state option, including, Keough said, a well-defined contingency plan if funds become too low.

"Our planning is done here in advance, and we manage the money very carefully," he said. "It's been in all of our conversations and our contract that we have a plan. If worse comes to worst, we can freeze our enrollment at 8,000. That's how many we think we can cover, and we'll watch that like a hawk — very carefully."

Keough doesn't think North Carolina taxpayers are at risk in subsidizing the program in the future.

"They won't have to kick in," he said. "I don't see that happening."

In comparison, the federal high-risk health insurance pool costs less and is subsidized with federal taxes, making it more and more appealing and popular to people with pre-existing conditions.

To date, Congress has authorized \$5 billion for the federal option, promising North Carolina \$145 million of the pie.

Coletti said that is not nearly enough.

"The \$5 billion is supposed to last through 2013," he said. "But the federal program really needs \$20 billion, or it's going to run out."

A report released in July by the Robert Wood Johnson Foundation in Princeton, N.J., said the federal option is woefully underfunded and is likely to run out of money sometime next

year, especially as more people who are qualified to sign up take advantage of the program.

Richard Foster, chief actuary for the Centers for Medicare and Medicaid Services, has also noted that enrollment numbers have exceeded expectations and the \$5 billion probably will run out by 2012.

In an article titled "Bad Medicine: A Guide to the Real Costs and Consequences of the New Health Care Law," Cato Institute Senior Fellow Michael D. Tanner said studies have projected federal taxpayers can expect to pay up to \$40 billion — or eight times as much as was originally budgeted — in additional costs to keep the federal high-risk pool operating through 2014.

Keough said individuals may find the federal pool more enticing

than the state option. But those currently covered by the state program must wait six months before enrolling in the federal plan, making it prohibitively costly to switch.

"Those who currently have the state option are considered 'covered,'" Keough said. "They cannot opt for the federal option, not unless they are willing to go without coverage for six months. That's a risky proposition for someone who has high-risk health problems to go without insurance for six months."

Keough has heard rumors that the federal pool cannot survive on its present funding, but he has hopes the money will hold out, especially since both the state and federal options have been slow getting established in North Carolina.

"I've heard a lot of talk nationally of the adequacy of that funding," he said. "I don't think it's as big a problem as people fear. I think [the pools] are going to ramp up more slowly than people think. I think it's going to take work getting the word out there and to get people signed up."

Although the state plan is more expensive in the short run, Coletti maintains it's the best and safest plan for consumers.

"The federal plan is generous, but it will run out of money," he said. "The state plan is set up in a better way to survive. Its financial status is better than the federal plan. However, while the federal plan exists, it is a better deal" for patients.

Goodwin said Inclusive Health will continue to administer both plans.

"It's easier on the consumer to operate both pools together," he said. "It's the most efficient decision." *CJ*

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# Golden LEAF Grants Go to Fund Yacht Slips and iPod Touches

By DAVID N. BASS  
Associate Editor

RALEIGH

Yacht slips, iPod Touches, and hops were on Golden LEAF's menu of grants this year — and leaders of the nonprofit foundation are defending every penny.

The projects are part of \$71 million in grants distributed in the recently ended fiscal year. Others include funds for renovating a vacant structure in Winston-Salem to house a "green business incubator" and an initiative to encourage consumers to spend at least 10 percent of their grocery budgets on locally grown foods.

The General Assembly established Golden LEAF (Long-term Economic Advancement Foundation) after a multistate lawsuit settlement with tobacco companies in 1998. The foundation's goal is to spur economic development in tobacco-dependent areas of North Carolina.

The overall settlement was valued at more than \$200 billion, to be distributed over a 25-year period. Half of the state's estimated \$4.6 billion share goes to Golden LEAF. The remaining half is split between the Health & Wellness Trust Fund and the Tobacco Trust Fund Commission, whose 2010 grants were reported by *Carolina Journal* (see "Tobacco Trust Funds Footbridge to Nowhere," Aug.).

As part of 150 grants in the last cycle, the foundation gave \$200,000 to the Rowan-Salisbury School System



Golden LEAF President Dan Gerlach defends the grants as appropriate to the goals of the legislature in creating the foundation. (CJ file photo)

to purchase iPod Touches for a high school. Students will use the iPods in conjunction with laptop computers.

"The nature of it is trying to look at the best way to use these devices, which are second nature to young people that age. That's just how they learn," said the foundation's president, Dan Gerlach. "What they're used to working with is a little different than what we're used to working with."

The foundation chose Rowan County because it's adjacent to Cabarrus County, where the cigarette manufacturer Phillip Morris once had a plant, Gerlach said.

Golden LEAF also underwrote \$50,000 to build nine yacht slips and

reconfigure a kayak launch on the Roanoke River. The funds leverage more than a quarter-million dollars from the U.S. Department of the Interior.

"They've had people interested in yachts up and down the seaboard, and they would like a place to dock, and that would be a good place for them to locate," Gerlach said.

Another \$30,000 grant went to assist Edgecombe County in creating a tourism development office, partly in hopes of getting a local occupancy tax. Golden LEAF's share will be used "to hire a consultant and acquire database software" to begin the project, according to the grant description.

Gerlach said the region's tour-

ism component is focused on historic homes and cultural heritage. "They do have a lot of history in African-American music out there," he said.

The foundation also awarded:

- \$250,000 to support an agriculture-biotechnology initiative at the N.C. Biotech Center, a nonprofit organization created in 1984 to use public funds to finance biotech projects in the state.

- \$5 million to help the Center for Community Self-Help make business loans, with priority given to minority- or women-owned small businesses.

- \$28,500 for N.C. State University to study hops, a key ingredient in beer.

- \$422,500 to "create curb appeal and set the stage for new jobs and investment" by renovating Martin Luther King Blvd. Corridor in Kinston.

- \$100,000 to support operations of the N.C. Sustainable Local Foods Advisory Council, which is devoted to encouraging economic development by building a "local food economy" and "preserving open space."

- \$35,000 to spur tourism by funding "Second Saturdays," a series of cultural events across the state put on by the N.C. Department of Cultural Resources.

- \$200,000 for new sidewalks on Heritage Street in Kinston.

Golden LEAF made 122 grants in the 2009 fiscal year totaling \$33 million. CJ

# Critics Say Counties Using Bait-and-Switch Tactics on Tax Hikes

By DAVID N. BASS  
Associate Editor

RALEIGH

North Carolina residents have approved seven of eight local sales tax referendums in 2010, a trend that limited-government activists say reflects new tactics county officials are using to sell the tax hikes to voters.

It's a marked difference from the past two years, when voters rallied against the quarter-cent sales tax by wide margins. In 2008, the increase passed just three out of 34 times on the ballot, often voted down by 3-to-1 margins.

The sales tax is one of two local-option taxes that dozens of counties have considered during the last three years. The other is a 0.4 percent land-transfer tax, which has failed every time it's been up for a vote. The General Assembly gave counties the right to put the local-option taxes on the ballot beginning in 2007.

Voters are more receptive to new taxes this year because they're seeing

the effects of county budget cuts, said Todd McGee, communications director for the N.C. Association of County Commissioners.

"They are seeing reduced hours at the public libraries and public parks, reduced funding to schools, cuts in human services and public health departments," he said. "I think that is making some of them more open to considering the new taxes."

But opponents point to new strategies counties are using to get the referendums approved.

"Here's the biggest sales pitch they're using on people: The sales tax affects everybody ... it gets the Mexicans, it gets the illegals, it gets everybody," said Allen Page, Southeast regional director for FreedomWorks, a conservative advocacy group opposed to the taxes.

This argument plays on the perception that renters don't pay their fair share of local property taxes, even though property taxes are incorporated in rental rates. Page also said elected officials hint that they'll raise property

taxes unless voters OK the sales tax increase. "They hold the vote hostage, of sorts, by saying that if [voters] don't vote this sales tax in, we're going to raise your property tax," he said.

That scenario cropped up in New Hanover County, where voters approved the sales tax hike May 4 by a narrow margin of 52 percent to 48 percent. Seven weeks later, county commissioners backed an annual budget that included a 1.3-cent property tax increase. Some residents felt misled by commissioners' rhetoric on the topic.

"If you vote no to the quarter-cent sales tax, you're voting yes to a property tax, and nobody wants to see that," said commission chairman Jason Thompson in an interview with WECT News in April.

In a Wilmington *Star-News* story published two weeks after the vote, Thompson said his comments referred to the fact that if voters hadn't approved the sales tax, an even larger property tax hike would have been necessary.

Public officials in other counties have made similar pledges. Robeson

County commissioners promised to reduce property tax rates by 2 cents if voters endorsed the sales tax increase. Residents did so Aug. 3, but the pledge isn't legally binding.

State law bars local governments from spending taxpayer dollars to push the tax hikes, but officials can mount education campaigns. It's a fine line between advocacy and education that critics say public officials often cross.

Page objects to the timing of the referendums, too. Similar to Robeson County, commissioners scheduled five of the eight votes this year on days with no primary or general election. As a result, turnout has been in the single digits.

"If they're going to put it on the ballot, at least put it on the ballot during a normal election," Page said.

Ten more sales-tax referendums are on the ballot this year. Nine are scheduled for the Nov. 2 general election. One, in Watauga County, was slated for Aug. 31, after this issue went to press. CJ

# U.S. Labor Dept. Sets Sights on Hospitality Industry

BY KAREN McMAHAN  
Contributor

RALEIGH

The unemployment rate in North Carolina and around the country may be flirting with double digits, but that isn't preventing the U.S. Department of Labor from tight enforcement of employment laws.

U.S. Secretary of Labor Hilda Solis signaled as much during her swearing-in ceremony when she said, "to those who have for too long abused workers, put them in harm's way, denied them fair pay, let me be clear, there is a new sheriff in town." The Service Employees International Union heralded Solis' confirmation, saying it was a "momentous occasion" that organized labor had been "fighting for."

Armed with additional funding in the fiscal year 2011 budget, Solis has gone on a hiring spree, adding 710 enforcement staff, including bilingual investigators. The number of inspectors has increased by more than one-third. The department's \$14 billion discretionary budget request includes a 4 percent increase for worker protection programs, with the goal of restoring funding and staffing for these programs to FY 2001 levels. The U.S. Wage and Hour Division's request of \$244 million is more than \$20 million higher than the prior year's budget and will be used both to enforce wage and hour laws and crack down on employers who misclassify employees as independent contractors.

The hospitality industry is under the microscope. In June and July, employment law firms began issuing legislative alerts to hospitality industry clients, warning them of plans by Wage and Hour Division officials to launch investigations of the hotel and motel industry beginning Oct. 1. These investigations will center on compliance with H-2B visa program requirements and the Fair Labor Standards Act. The H-2B visa program allows businesses needing one-time, seasonal, peak-load, or intermittent staffing to use foreign workers as temporary labor.

Dolores Quesenberry, a spokeswoman for the N.C. Department of Labor, told *Carolina Journal* that she was unaware of any increased complaints but did say the hospitality industry is "always on the radar" for potential violations because it employs large numbers of H-2B and younger workers.

Paul Stone, president of the North Carolina Restaurant and Lodging Association, told *Carolina Journal* that the lodging and restaurant industry is North Carolina's second-largest employer, with approximately 500,000 workers, accounting for 10 percent of the state's total work force. Of the 1,600 hotels in North Carolina, only a few employ H-2B workers, Stone said, mostly because the program is so re-



strictive. Before hiring an H-2B worker, for example, an employer must certify there are no domestic applicants qualified for the position.

Apart from industry and legislative alerts, Stone has discovered little else about potential investigations, despite attempts to learn more from both state and federal labor officials.

Stone wonders why hospitality employers are being targeted with the economy mired in recession. Wage and hour audits and similar investigations disrupt operations and increase costs, especially if an employer has to engage outside counsel or auditors, said Stone.

## Aggressive agenda

Mike D'Aquino, a public affairs spokesman for the Labor Department, confirmed to *CJ* that the Wage and Hour Division plans to investigate the hospitality industry later this year to ensure compliance with H-2B visa requirements. D'Aquino said it is the division's responsibility to ensure compliance, and the hospitality industry uses a great number of H-2B workers.

Andria Lure Ryan, chair of the Hospitality Industry Practice Group and partner in the Atlanta law office of Fisher & Phillips, told *CJ* that labor department officials have been secretive on this issue and described their attitude as "militant." The American Hotel and Lodging Association requested a closed-door session with Wage and Hour Division officials in Washington, hoping to find out why they consider the industry "high-risk" and what measures were used to make that determination, Ryan said.

Those two questions weren't answered. Ryan said they did learn that the "Hotel and Motel Resort Pilot Initiative" will target H-2B users for review and investigate all employers on the property, including separately owned and operated restaurants, cafes, and the like. The investigations

also will target staffing firms that supply workers to the hospitality industry, and investigators will look at compliance with the Fair Labor Standards Act, including child-labor limitations, not just H-2B compliance.

Employment law experts say the strategies outlined in DOL's semiannual regulatory agenda, dated April 26, will create an avalanche of new regulatory and enforcement actions and impose compliance requirements that will lead to federal enforcement actions or private lawsuits.

*CJ* contacted general managers from several hotels across North Carolina, but none would comment. Stone said NCRLA members are reluctant to speak for fear of becoming a target.

## New enforcement initiatives

After taking office, Solis prom-

ised to focus on new regulatory and enforcement initiatives. She assembled a team of deputies and advisers who are veterans of the organized labor, workplace safety, and immigration reform movements to help execute this mission. Earlier this year, Esther Kaplan, writing for *The Nation*, praised DOL's new leadership, saying, "Solis has formed a rump group that's fighting on the right side of the class war."

Prior to being confirmed as labor solicitor, the nation's top enforcer of labor laws, former New York Labor Commissioner Patricia Smith, led a successful enforcement battle against businesses misclassifying employees as contractors. Among Smith's tactics was a pilot program called Wage Watch, which trained members of churches, immigrant groups, and labor unions as informants to report wage and other possible labor law violations.

Other notables are Joe Main, the first former union leader to head the Mine Safety and Health Administration Division, and Mary Beth Maxwell, senior adviser to Solis, who founded American Rights at Work, a national group that advocates passage of the Employee Free Choice Act and that successfully lobbied for the Lilly Ledbetter Fair Pay Act.

David Michaels, assistant secretary of labor for the Occupational Safety and Health Administration, authored a book denouncing voluntary compliance of occupational health standards and calling for tough new regulations on industry. Under Michaels' leadership, OSHA has supported H.R. 2067, the Protecting America's Workers Act, which seeks to expand OSHA's coverage to federal, state, and local government employees and increases penalties for violators. *CJ*

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# Rural N.C. School Districts 'Could Use More Disruption'

By CJ STAFF

RALEIGH

Instant messages, loud music, and spitballs have no place in the classroom, but North Carolina's rural school districts could benefit from a different type of disruption. That's the conclusion the John Locke Foundation's top education expert reaches in a Spotlight report.

Virtual charter schools, expanded online course offerings, and new off-site high school campuses are among the examples of "disruptive innovation" recommended in the new report. Those changes also could lead to substantial savings for taxpayers.

"At first glance, promoting 'disruption' is counterintuitive," said Terry Stoops, JLF director of education studies. "Only anarchists, physicists, and the IRS endeavor to bring disruption, disorder, and chaos to an otherwise orderly environment. Yet when the system deviates from its core mission because of entrenched interests or a powerful status quo, radical or 'disruptive' change is required."

Stoops bases his recommendations on the "disruptive innovation" ideas put forward in recent years by scholars including Harvard Business School's Clayton Christensen. "The main idea is that public schools should replace their outdated standardization model with a customized, student-centric approach that meets the education needs of individual students," Stoops said.

For North Carolina, these ideas translate into a series of recommendations, Stoops said. "Virtual schools and expanded online options are no panacea for a statewide public education system that continues to graduate less than three-fourths of North Carolina's high school students in four years," he said. "But these options expand parental choice and personalize learning, two long-sought reforms that promise to improve public education in North Carolina and beyond."

Topping Stoops' list of policy changes is a "rigorous" cost-benefit analysis of virtual schooling. "Assess budget implications, student and parent satisfaction, and student performance," he said. "Initial findings of cost savings are suggestive, but the state should expand online course offerings only if the new costs are offset by larger cost savings for personnel and school buildings at the school district level."

Policymakers also should allow state, local, and federal education dol-

lars to follow students to the traditional or virtual school of their choice, Stoops said. "This makes sense statewide," he said. "But if that's not politically feasible, then the state should give preferences to low-income students and rural counties by implementing a means-tested program."

North Carolina should exempt statewide virtual charter schools from student enrollment restrictions, Stoops said. The state also should maximize competition by expanding the number

of virtual school providers. "That includes private and for-profit online schools, as well as institutions of higher education in North Carolina and beyond," he said.

Stoops focused his attention on rural North Carolina because dispersed rural populations tend to have less access to educational

choices than their urban and suburban counterparts. "State officials classify more than one-third of North Carolina's schools as rural," he said. "Since an average of 99 percent of North Carolina classrooms have an Internet connection and there's an average of one Internet-connected computer for every 2 1/2 students, expanding online options makes sense."

Education and government leaders should be cautious about reaching the wrong conclusions from the report, Stoops said.

"Calls to improve technology infrastructure in public schools should not be used as an endorsement of state- or city-provided household broadband service," he warned. "Nor should these recommendations be seen as an endorsement of plans to provide laptop computers for public school students. Neither of these ideas has shown evidence of increasing student achievement in any meaningful way."

Stoops also finds limited evidence to judge the effectiveness of the existing North Carolina Virtual Public School. "It's one of the largest and fastest-growing state-operated virtual schools in the nation, but it is not reaching a significant portion of the state's rural student population," he said. "In terms of disruptive technology, these students could become catalysts for systemic change."

North Carolina school districts have spent more than \$13 billion on new buildings and other capital needs since 1995, Stoops said. "A robust online education program would have the potential to save the state billions in capital expenses over the long term," he said. CJ



COMMENTARY

## Back-to-school Economics

For scores of North Carolina students, it's back to school time. As they board buses and clamber into carpools, where are they headed? If recent enrollments hold steady, most — 1.4 million — are pulling up to public schools. A sizeable minority is en route to private schools. And record numbers aren't leaving home at all, instead settling in for lessons with Mom or Dad.

Newly released 2009-10 enrollment data from the state Division of Non-Public Education reveal a reconfigured education landscape in North Carolina. Shifts aren't seismic — yet. But they do reveal how powerfully economics and culture impact parents' choices about education.

For the first time since 2004, private enrollments have fallen: in 2009-10, some 96,000 students attended state private schools, a 2 percent dip from the year before. Given current economic woes, this is not surprising. Indeed, Linda Nelson, executive director of the North Carolina Association of Independent Schools (representing 40 percent of the state's private school students), links the drop-off to "economic factors, job losses" and the first look at enrollment data following "the major stock market debacle in October 2008."

Why wasn't the drop precipitous? Private education, maintains Nelson, remains resilient even in a struggling economy. Data show she's right: A 2009 analysis of previous recessions by Catherine Rampell of *The New York Times* found private school enrollment was not "terribly sensitive to the overall business cycle." Why? Parents will go to great lengths to stretch budgets and pinch pennies to keep children in schools they love. Schools are digging deep, too: Many independent schools, says Nelson, "have increased financial aid budgets during the last two years by 30 to 50 percent."

Perhaps more remarkable is the finding that homeschooling numbers are soaring. Homeschooling generally requires considerable financial sacrifice, as one parent for-

goes or greatly reduces labor force participation. Yet last year, more than 81,000 North Carolina students were homeschooled — an all-time high, and an almost 200 percent increase over the past decade.

Homeschooling soon may outpace private schooling statewide. In 72 of North Carolina's 100 counties, it already does. This is due to homeschooling's explosive growth, and the fact that private schools are often clustered in populous, urban counties; 12 North Carolina counties have no private schools.

Why is homeschooling going gangbusters? Parents are clamoring for alternatives to public school. And homeschooling, once relegated to the educational fringes, has become a mainstream cultural phenomenon. Emboldened by homeschooling's popularity and prevalence, families are taking the plunge. Says Kelli Schaad, a 10-year homeschooling veteran, "You're more apt

to try homeschooling if you have friends who are doing it, or if you see other people doing it and being successful."

What about the million-plus students in public school? Many are well-served, but others are not, and lack the means to do anything about it. One way to help these cash-strapped families would be by offering an education tax credit. Such credits typically take two forms: Taxpayers or businesses receive a tax credit for donations to scholarship organizations assisting needy families, or parents receive a tax credit for education expenses.

This fall, Georgia parents have lined up to take advantage of tax credit legislation passed in 2008; a number of other states also offer tax credits. In North Carolina, an education tax credit bill failed to pass during the recent legislative session. That's a shame. Not only would struggling families benefit, the bill's fiscal note projects annual savings of \$50 million in state and county dollars. In trying economic times, what's not to like about that? CJ



KRISTEN BLAIR

Kristen Blair is a North Carolina Education Alliance Fellow.

*Drawing boys to reading*

# Comics, Graphic Novels Found in Libraries and Schools

BY HAL YOUNG  
Contributor

RALEIGH  
You could call it a clash of titans, to borrow a phrase. In just one month, one American organization criticized superheroes as bad role models for boys, while a Canadian group promoted the use of comics and graphic novels to increase literacy among them.

While the value or harm of comic books has been debated for decades, the genre has grown in acceptance among librarians and educators, and some libraries now host large collections of graphic novels, Japanese manga, and plain old American comics. The comics once were hidden behind the textbooks; now they may be handed out by the teacher.

In July, the Canadian Council on Learning published a report titled "More Than Just Funny Books: Comics and Prose Literacy for Boys." It cited research showing boys lagging behind girls in several indexes of reading capability; in short, boys read less and enjoy it less. Part of the problem, CCL claimed, is the tastes of the librarians.

"Boys are much more likely [than girls] to enjoy reading science and non-fiction books, informational texts, and 'how-to' manuals," the authors wrote. "They are also more likely to enjoy fantasy, adventure stories, and stories that are scary or 'gross' ... [yet] these genres and media are generally underrepresented or even unavailable in school libraries, a reflection of the views of teachers and librarians who judge such material inappropriate."

The state's public libraries are picking up the slack. A sampling of online catalogs in larger North Carolina cities uncovers hundreds of titles, everything from books about cartooning to Asian teen romance comics and educational titles like *The Manga Guide to Calculus*. Enter the term "manga" at the website for the Public Library of Charlotte and Mecklenburg County, and over 600 entries come up in this one category of comics.

"A solid quarter to third of what I circulate is graphic novels," said Meg Harrison, the teen services coordinator for the Forsyth County Library. "Most of my readers are boys. If it's in manga or comic book format, they don't care if it's targeted for girls — they'll read it."

Manga is the big-eyed cartoon style developed in postwar Japan. English translations are often bound right-to-left like the Japanese originals, with

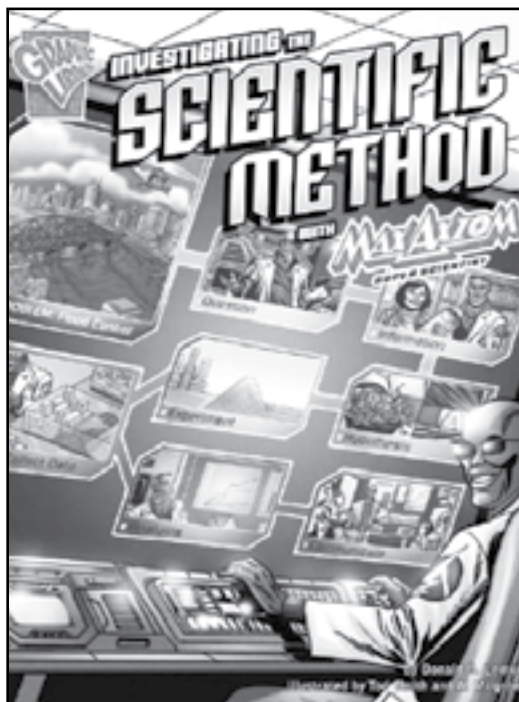
kanji characters and Japanese names surrounding Caucasian-featured characters. While some include the clichéd elements of robots, dinosaurs, and samurai — don't miss *Manga Claus: The Sword of Kringle* — a large segment of the genre is not only aimed at girls, but also drawn by female cartoonists.

Apparently, American males don't care. Margaret Miles, the youth services librarian for New Hanover County Library, said its collection of comics is oriented toward boys. "We've tried several of the shōjo manga for the girls," she said, "but the only one that has been very popular is the Fruits Basket series, and I think that's crossover readership as well." Awkwardly translated titles are not uncommon; it really is called Fruits Basket, and it shares shelf space with *Bleach*, *Tokyo Mew Mews*, and *Beauty is the Beast*.

Familiar American comics are there in smaller numbers. Miles said that Marvel "has done some great adaptations for the younger audiences." The New Hanover libraries had to add classic superheroes to their teen section because the anthologies in the general collection "were being checked out and read almost exclusively by adults or elementary school students."

The latter group is a concern to some. Sharon Lamb of the University of Massachusetts warned the annual convention of the American Psychological Association in August that popular media only gives boys two choices for role models — the slacker and the superhero. While the slacker's anti-social behavior is played for laughs, Lamb said, the modern movie superhero promotes a distorted view of masculinity: all sarcasm, aggression, and exploitation of women.

When reached by *Carolina Journal*, Lamb referred to her blog, Pack-



Graphic novel heroes like Max Axiom, Super Scientist, are making science seem cool to adolescent boys, some librarians say.

aging Boyhood, which explained her concern was not over print comics but their video reinterpretations. Social justice themes often are lost when characters are translated for the big screen, she said. The old-style comic book characters "were heroes boys could look up to and learn from because outside of their costumes, they were people with real problems and many vulnerabilities," she told the APA gathering.

Melissa S. Miller at the University of North Carolina at Chapel Hill might disagree. Miller is a professor of special education with an interest in reading remediation. She and a colleague recently completed two studies teaching science classes to at-risk students, using graphic novels to supplement traditional textbooks. The comics featured "Max Axiom, Super Scientist," a cool, shaven African-American with shades and a cape-like lab coat.

Miller said the character drew the interest of both fourth graders and high school students and gave the boys a new vision of the future. "When

we did interviews, all the boys talked about how they thought they could be scientists one day, because this character was a scientist," she said.

"Textbooks can be so overwhelming," Miller said. "This was a very effective approach to dealing with this population of kids. It doesn't look like work, it looks like fun, and they could all read the same book and keep up with their classmates," she added. "It was not a replacement for their curriculum, it was an enhancement."

While the girls showed little difference in their actual performance and their attitude toward the subject, Miller said, the boys displayed a marked improvement. "Quite honestly, all the teachers loved it," she concluded.

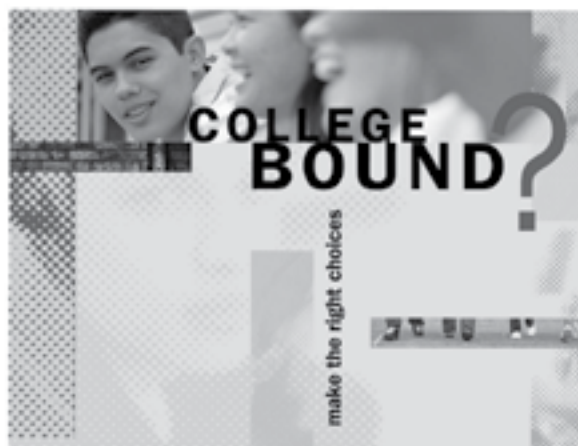
However, the genre's penetration into the schools is mixed. Jeff Jones, the media center specialist at Charlotte's Independence High School, said there are "50 or 60 books" in the graphic novel collection. "The same people check out a lot of them, but not a lot of different people," he said. "As far as I'm concerned, it's just for free reading [and] entertainment."

But Allen Kromer, media coordinator at A.C. Reynolds High School in Asheville, had a different take. "We actually have a fairly extensive collection," he said. "I think our instructors relish the fact that there's stuff down here the kids will read. It's significantly boosted circulation."

He said that some teachers are investigating the use of graphic novels in their classrooms — including his wife, a civics teacher. "One of the supplemental components of our civics curriculum includes a graphic novel dealing with the Constitution and legal processes," he said. CJ

Studies show that boys are much more likely than girls to respond to comics

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# State PTA Rakes in Tax Dollars As Parents Seek Alternatives

## Parents say they are frustrated with PTA's political involvement

BY SARA BURROWS  
Associate Editor

RALEIGH

While the North Carolina Parent-Teacher Association is becoming less popular among parents, it is becoming more popular among politicians.

North Carolina parents are leaving the PTA by the thousands, opting to form independent parent-teacher organizations. Some are making the switch because they're fed up with the PTA's political involvement — it partners with teacher unions to lobby against school choice, and its national organization opposes the Bush tax cuts — but most parents just want more bang for their buck.

The General Assembly found NCPTA worthy of more than \$1 million in dropout prevention grants over the last four years. The grants were given for NCPTA's Parent Involvement Initiative, even though parent involvement in the organization has declined steadily for 50 years.

The organization has lost one-third of its membership since 2001 and is only half the size it was in the 1960s. Its remaining 188,000 members represent about 7 percent of the state's parents with children in school.

NCPTA has received nearly \$2 million in government funds since 2007. Tax dollars now make up about two-thirds of its operating budget.

In June, the General Assembly appropriated \$500,000 from its \$15 million in dropout prevention funds to the PTA's parent involvement program. It is the largest grant the organization has received so far. The spending was awarded with no application and no evidence the program had accomplished its goal the previous three years.

### Parent involvement coordinators

The goal of the Parent Involvement Initiative is to keep more kids in school by engaging parents in school activities. Its website lists the following successes:

- At Douglas Byrd Middle School in Cumberland County, parent clubs for Hispanic families helped 19 students pass reading and math tests.
- At West Hoke Middle School, home visits to at-risk students helped 18 students "improve" developmental scores.
- Home libraries were established for select libraries at Anson Middle School in Anson County.



The North Carolina PTA has received nearly \$2 million in government funds since 2007, and tax dollars now make up two-thirds of its budget. (CJ photo by David N. Bass)

- Traffic has increased on the NCPTA website.

NCPTA recently has hired six paid staff members — an executive director and five "parent involvement coordinators."

Debra Horton, who served previously without pay as NCPTA president, created a paid position for herself — executive director — before her term expired in 2009. She since has hired five full-time staff members to do the work previously done by volunteers.

Horton said the full-timers were necessary because volunteers didn't have time to make home visits, sit in on parent-teacher conferences, and conduct parent-education workshops.

Also, they've built customized home libraries for 25 families in Hoke County and "several other counties," she said.

When asked how much the coordinators were paid, Horton said she'd have to check her records. She since has ignored several attempts by phone and e-mail to follow up for an answer to the question. She also refuses to release her own salary.

### Parent seeks volunteerism

Carolina Journal spoke to several frustrated teachers, parents, and principals who wished not to be identified because they feared retribution from either the NCPTA or the North Carolina Association of Educators, with which it is closely aligned.

One parent said she was "appalled" when she heard the PTA got

\$500,000 this year. "I've been scratching my head for the last year and a half trying to figure out what the PTA actually does," she said.

As a board member at her child's elementary school — where PTA membership dropped from 70 to 40 last year — she was in charge of PTA drives.

People started asking her, "What does the PTA do for my child? Why should I join?"

This year, she told the principal she's not going to participate in the membership drive. Instead she's going to promote volunteerism.

"People don't understand that you don't have to be a member of the PTA to volunteer in your child's classroom," she said.

### New uniform bylaws

Meantime, NCPTA recently changed its bylaws, making it tougher for schools to leave the organization and penalizing those that do. Local chapters traditionally had some flexibility in writing rules and bylaws for themselves.

The new "Uniform PTA Bylaws," which every chapter is expected to adopt by July 1, 2011, requires any school wishing to end its PTA affiliation to send a formal notice of its intent to dissolve its membership by registered mail to the president of NCPTA, get a two-thirds vote from those who "were members [of the local chapter] in good standing on the date of the adoption of the resolution," and send the minutes of that meeting to the state president.

And while local chapters that

left NCPTA previously were allowed to donate unspent proceeds of fundraising drives to any nonprofit group, NCPTA now treats the money collected from bake sales and car washes at local schools as its property. After settling any debts, when a school chapter leaves NCPTA, "the remaining assets shall be distributed to NCPTA or to a local PTA in good standing approved by NCPTA."

### Lawmakers justify grants

This year's bill that appropriated dropout prevention funds to the NCPTA had 22 sponsors. Only four answered phone calls or e-mails asking why the PTA deserved the money.

Rep. Cullie Tarleton, D-Watauga, suggested CJ first contact "the primary primary sponsors" — Rep. Rick Glazier, D-Cumberland, and Rep. Douglas Yongue, D-Scotland — before commenting.

Glazier said the House Appropriations Committee wanted to give a larger portion of the dropout prevention grants to "programs that have shown capacity for replication, good outcomes and that are research-based or have substantial research-based components adapted to North Carolina."

The PTA met those conditions, he said. When asked for documentation, Glazier suggested contacting either Horton or Gerry Hancock, a former state senator turned lobbyist for NCPTA.

Yongue said the PTA could prevent dropouts by educating parents. "They have strong parent organizations in Singapore, and the dropout rate there is almost zero."

China, India, and Denmark pay parents to attend school meetings, he added. "Plus, you won't find an overweight student or faculty member in those countries."

Rep. William Brisson, D-Bladen, said he co-sponsored the bill because his rural district had "a lot of high school dropouts," and he "assumed" some schools in his district were affiliated with NCPTA. The Bladen County superintendent informed CJ there were no PTA schools in the area.

### PTA vs. PTO

Brisson's confusion could have been related to the distinction between PTOs and the PTA. Founder of PTOToday.com Tim Sullivan said parents often refer to their school's parent-teacher organizations as the PTA, even though 75 percent of these groups nationwide are unaffiliated.

Sullivan said some parents want out of the PTA because of the organization's left-leaning political activism and its close ties to the National Education Association, but more often parents want to keep money in their schools and spend it as they see fit. CJ

The NCPTA has lost a third of its membership since 2001 and is only half the size it was in the 1960s

## Town and County

## Fayetteville sign rules

Fayetteville is reconsidering its sign rules for the historic downtown business district. The move comes after a city employee threatened businesses with \$500 fines for posting unauthorized signs in windows, reports the *Fayetteville Observer*.

City regulations for the historical district currently require a certificate of appropriateness from the city's Historic Resources Commission for a business's primary sign. Smaller signs, including those posted in windows, require a sign permit and approval from city staff. The rules limit the number and size of such signs.

A code enforcement official sent letters in July threatening 22 businesses with fines if they did not remove signs that violated the regulations. The letters did not, however, detail how the businesses were violating the ordinance. Many of the business owners weren't aware that they were doing anything wrong.

City officials have since said that fines won't be enforced and the rules are under review.

"You can't put a menu in the restaurant?" said City Manager Dale Iman. "That's crazy. That is not good business, and we need to review that ordinance."

## Lynx extension funding

The Charlotte Area Transit System's attempt to speed up construction of an 11-mile extension of its Lynx light rail line suffered a setback in August, reports *The Charlotte Observer*.

CATS currently operates a 9.8-mile light rail line that runs roughly from Pineville to Uptown Charlotte. The transit authority wants to extend the line to the northeast, connecting it to University City. The cost of the extension is estimated at \$1.1 billion.

In 2006, CATS projected it would have the new route completed by 2013. Since then, revenues from Mecklenburg County's dedicated sales tax for transit have fallen, and completion now is estimated at no sooner than 2019, and then only if the federal and state governments pick up most of the construction cost.

The system had hoped to obtain a \$40 million federal earmark to speed up design work on the line. The budget the House passed included only \$3.7 million; the Senate budget included nothing. A final federal budget may not pass until after the November election. *CJ*

## Library Porn Riles Greensboro Council

By SAM A. HIEB  
Contributor

GREENSBORO — August is regarded as the slow season in both national and local politics. But that certainly wasn't the case in Greensboro, where a two-week debate on pornography on public library computers was hotter than the weather forecast.

The debate began during the Aug. 3 city council meeting, when council member Danny Thompson — a political newcomer elected to provide conservative leadership on the council — expressed concern about patrons looking at online pornography on the city's central library computers.

Thompson held up a thick stack of paper which he said reported incidents of library users accessing inappropriate sites. The council would later pass a motion instructing City Manager Rashad Young to report on options for filtering library computers at the next council meeting.

That set off a two-week debate in local media and the Greensboro blogosphere. An examination of incident reports revealed only 18 incidents of patrons viewing inappropriate material from January to July of this year, an 80 percent decrease from the same period in 2009.

In contrast, there were more reported incidents of sleeping in the library, prompting council member Diane Bellamy-Small to quip that the library needs "to do a better job of waking people up than making sure they're accessing inappropriate sites."

Further framing the debate is the fact that Greensboro library director Sandy Neerman is regarded as a staunch defender of freedom of information, even at the risk of offending certain groups. Several years ago, Neerman found herself at the center of another controversy when the *Greensboro News & Record* reported that the library considered adding to its collection a videotape produced by the Ku Klux Klan as a protest against the Martin Luther King Jr. holiday.

Local NAACP members — notably longtime Guilford County Commissioner Skip Alston — protested loudly, calling the tape "a slap in the face to all African-Americans in the city."

The library eventually rejected the tape, not because its content was offensive, but because there were copyright issues related to the music used in the video.

Neerman re-emphasized her commitment to freedom of information during the formal debate at the Aug. 17 council meeting.

"A public library is one of the most democratic institutions in your community," Neerman said. "Libraries were founded with the mission of equal access of information and community trust that we would protect that freedom."

Currently, the library uses "bandwidth shapers" to discourage downloads of inappropriate sites by slowing them down considerably, the thought being that users — especially teenagers — would grow impatient and give up.

Neerman added that staff and security constantly are overseeing computer usage and that the library engages in a "continuous evaluation of computer policies and procedures."

The previous day, the library's board of trustees recommended two limited filtering options, which they pre-

sented to the council. The first option was to filter all library computers at a cost as high as \$20,000 — depending on the vendor — with an estimated annual maintenance cost of between \$3,000 and \$6,000.

The second option would filter Internet access for children under 17 and for adults who requested a filtered search. That option was estimated to cost between \$10,000 and \$20,000, with an estimated annual maintenance cost of \$6,000.

Before council debate, speakers on both sides of the issue weighed in.

A former librarian cautioned that filters would prevent legitimate searches. For example, searches on breast cancer would be filtered simply because of the term "breast."

But the speaker also recalled an incident where a student Googled "daffodil" and the first image that appeared was an image of a naked man lying in a field of daffodils, prompting laughter from the audience.

Another attendee spoke in favor of filters, saying that citizens "should not be able to do whatever they want to on these computers."

Council member Trudy Wade expressed concern that no data indicated how many porn sites are hit on a library computer, adding there could be many more instances than

just those who are caught.

Wade also made an analogy to the library's book collection, asking Neerman who selected the books.

When Neerman said the library's selection committee made those decisions, Wade replied that the committee was "filtering the books."

Thompson has taken considerable political heat for raising the issue, and he may not have helped his cause when he said he was on vacation and had been out of touch as the debate heated up.

Thompson also wondered why the city manager's reports reflected incidents only at the central library instead of the entire library system.

Young replied that this was all he had been asked to research. "Had we been asked about incident reports at other branches," Young said, "we would have provided them."

Thompson also had an interesting exchange with library trustee Steve Allen, who used the term "lesser of evils" to describe the filtering options.

"What's evil about blocking those types of websites?" Thompson asked.

Allen, a former state Superior Court judge, proceeded to lecture Thompson on city bylaws, "as tactfully as I can."

"We have attempted to comply with the directives of the city charter and do our job, and that's what we'd like to continue to do," Allen said.

After council member Robbie Perkins made a motion to allow the library to continue its normal monitoring, Thompson made a substitute motion to pass the more restrictive filtering option, which failed by a 6-3 vote. Perhaps sensing his support was waning, Thompson voted with the rest of the council on Perkins' motion, with a friendly amendment that the library would provide the council with regular incident reports.

Even though no city policy has changed, Perkins said the entire debate was raised "not because we wanted to be informed, but because we were interested in showing that we were against porn in our libraries." *CJ*



# Court Says Zoning Ordinance Can't Force Gun Range Closing

By MICHAEL LOWREY  
Associate Editor

RALEIGH

The state's second highest court has rejected an attempt by a Union County municipality to keep a homeowner from using a shooting range he built on his property. In its Aug. 3 ruling, the N.C. Court of Appeals found the village of Wesley Chapel's interpretation of zoning regulations would leave landowners "exposed to the arbitrary and capricious whims of zoning authorities."

In July 1991, Dr. Michael Land bought 5.7 acres of land for \$80,000 in a then-unincorporated portion of Union County. Land built a shooting range covering two-thirds of the property. Its use is restricted to Land, his family, and guests.

A new residential development was built on an adjoining property in 1999. Land spent \$15,000 in 2007 and 2008 to increase the height, width, and depth of the firing range's backstop.

The village of Wesley Chapel, meanwhile, incorporated in July 1998. Land asked to have his property annexed into the village the following year. This did not affect his use of the shooting range for the next eight years.

Sept. 10, 2008, Wesley Chapel's zoning administrator issued a cease-and-desist order prohibiting Land from using the shooting range, claiming it was not an allowable use for the property without a conditional use permit, which Land did not have. Land took the matter to court after Wesley Chapel's board of adjustment upheld the zoning administrator's determination.

Superior Court Judge W. Erwin Spainhour ruled in Land's favor, and the village brought the issue before the Court of Appeals.

The village claimed that the shooting range was never a legal use of the property, because it was not authorized by the zoning regulations that existed when the shooting range was created. Union County's 1988 land use ordinance does not mention shooting ranges. The ordinance does state, "because the list of permissible uses set forth ... cannot be all-inclusive, those uses that are listed shall be interpreted liberally to include other uses that have similar impacts to the listed uses."

Wesley Chapel contended that a shooting range was most like a "privately owned outdoor recreational facility" — a classification including golf and country clubs and for which a conditional use permit is required in residential zoning districts.

The appeals court rejected the village's argument.

"The text of the 1988 Ordinance clearly incorporates the following philosophy: everything is proscribed except that which is allowed," wrote Judge Robert N. Hunter Jr. for the appeals court.

"The problem with this philosophy, however, is that it fails to clearly place the public on notice as to how a particular use is to be classified absent an explicit mention in the Land Use Ordinance," Hunter noted. "This approach

leaves the landowner exposed to the arbitrary and capricious whims of zoning authorities who may disagree with a landowner's decision concerning 'similarity of use.'"

The state's courts have long held that zoning regulations restrict common law property rights and must be strictly constructed. The village argued that Land "materially altered" his property when he enlarged the firing range's backstop. The village's zoning ordinance, adopted in 2000, does not allow shooting ranges in residential areas. As Land's gun range predated the zoning ordinance, it was considered a legal nonconforming use of the property. However, if the property were materially altered, the shooting range would no longer be grandfathered in.

Wesley Chapel's zoning ordinance defines a material alteration "as change to size, contour, etc., to an extent of more than 50 percent of the replacement cost at the time of said alteration." The village noted that Land spent a total of \$3,000 to build the firing range.

As the \$15,000 cost of enlarging the backstop far exceeded the cost of building the range, the village claimed a material alteration had occurred.

The appeals court noted that the village's argument had a basic flaw: It completely ignored the value of the land used for the shooting range.

The case is *Land v. Village of Wesley Chapel* (09-1465). CJ



## COMMENTARY

# Why Sales Tax Measures Are Passing

Many county commissioners believe that county budgets are more important than family budgets. So for the last three years, even as the economy has sputtered, commissioners have asked voters to approve tax increases to fund ever-increasing county budgets.

In 2007, the General Assembly gave counties the authority to raise either the sales tax by one-quarter cent or a land transfer tax by 0.4 percent, but only after a vote of county residents. Between 2007 and 2009, 23 of 23 land transfer tax votes failed, and 43 of 53 sales tax votes failed. Not to be deterred by failure, many counties have asked voters repeatedly for a tax increase, with Hertford County holding the record of 4 votes: one in 2007, two in 2008, and finally winning approval in a special, one-issue election held earlier this year on March 2.

This year, the box score has changed in favor of the commissioners. Of the eight sales tax increase elections held so far in 2010, seven passed, with only Davie County's voters defeating the tax increase. At latest count, 10 more counties will ask voters to approve a quarter-cent sales tax increase.

Why the change in fortunes? County commissioners have developed a winning formula they are using to "convince" voters that a tax increase during a major recession is necessary.

First, commissioners promise a special interest group the benefits of the tax increase. This concentrates benefits on a relatively small group and disperses the taxes over all county residents.

In many counties, the special interest group is the educational establishment. Teachers and the PTA make up a motivated special interest group in most counties. Activating this group with the promise of more money is one way to increase taxes.

Anyone against the tax increase is labeled against education and voting to harm the kids.

Public safety has become a second-best tactic for some counties to push the tax referendum. Everybody sees the need to help the sheriff protect lives and property.

Commissioners' promises are not legally binding. Once enacted, the tax money can be spent on any legal purpose. Because the new tax money is mixed with all other revenues, it is also hard for the public to hold commissioners accountable for their campaign promises.

A second popular strategy is to promise property tax relief. County commissioners calculate the revenue raised by a sales tax increase, translate that to a property tax rate hike, and say to residents, "Take your pick." Property owners tend to be longer-term residents, and thus they tend to turn out

and vote more than renters.

New Hanover commissioners promised that a sales tax increase would mitigate the need for higher property taxes. The commissioners got their sales tax increase and then promptly hiked the property tax rate. Many voters felt betrayed.

Finally, some commissioners have been so bold as to schedule a special, one-issue election outside the regular May primary or November general election dates. Alexander County was the first to use this tactic successfully on Jan. 8, 2008. Since then, five counties have had success with this tactic.

Robeson County's vote on Aug. 3 saw a turnout of just 4.3 percent of registered voters, compared with a 60.3 percent turnout in the 2008 general election. Residents voting for the tax increase amounted to only 2.9 percent of registered voters.

Calling a special one-issue election that commissioners know will suppress the turnout so that they can sneak through a tax increase is suspect at best. It seems that for some commissioners, the end justifies the means. CJ



MICHAEL SANERA

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

## Local Innovation Bulletin Board

## Bag Taxes Disappoint

Government-imposed taxes on the disposable bags grocery and convenience stores use to contain customer purchases are becoming increasingly popular across the country. At least 16 states are considering such measures, writes Justin Higginbottom of the Tax Foundation.

"Whether assessed theoretically or practically, bag taxes are not a promising development in tax policy," says Higginbottom.

The specifics of the proposed taxes vary between jurisdictions. In some cases, they would apply only to plastic bags; in other cases, both plastic and paper bags are covered. The taxes would range from 5 cents to 25 cents per bag. Some places, such as San Francisco, even have banned plastic bags entirely.

Bag taxes generally are justified to satisfy environmental goals, such as reducing litter, easing strain on landfills, and limiting greenhouse gas emissions. Such claims are often overstated, as the Northwest Economic Policy Seminar demonstrated in arguing successfully against a bag tax in Seattle.

Washington, D.C.'s 5-cent-per-bag tax was intended to clean up the Anacostia River. However, most residents are unwilling to pay the tax, so government revenue from the tax has been lower than projected. The city collected only \$150,000 over the tax's first four months, and Mayor Adrian Fenty has suggested transferring the money to pay for general city services.

"The tendency, as in Seattle, is for public officials to greatly exaggerate environmental benefits," says Higginbottom.

"And with the likelihood of intergovernmental transfers, bag taxes may just be another way for a state or city to grab general revenue."

### Recycling mandate

The city of Cleveland will begin issuing residents new microchip-equipped trash and recycling carts next year. As part of the program, the city intends to fine those who don't recycle enough, reports the *Cleveland Plain Dealer*.

The Cleveland City Council approved \$2.5 million in spending for 25,000 sets of carts fitted with radio frequency identification chips and bar codes. The city hopes eventually to provide the carts to virtually all of its residents.

The chips will allow the city to determine easily how often residents roll their recycling carts to the street. And if a homeowner doesn't

do so very often, a waste collection supervisor will go through his trash carts and assess a \$100 fine if the container has more than 10 percent recyclable material.

Cleveland's motivation for imposing the fines is partially financial. The city pays \$30 per ton to have garbage buried at landfills but receives \$26 for each ton of recyclables it collects.

"We're trying to automate our system to be a more efficient operation," said Waste Collection Commissioner Ronnie Owens. "This chip will assist us in doing our job better."

A number of other localities use microchips to monitor residents' garbage disposal habits. Charlotte and Alexandria, Va., monitor recycling via the chips, while several cities in Great Britain charge residents extra if trash exceeds a set threshold.

### Safe El Paso

Ciudad Juárez is easily the most dangerous city in Mexico. Its violence does not, however, extend across the Rio Grande to adjacent El Paso, Texas, which is among the safest large U.S. cities. Indeed, crime in El Paso went down as exactly as the murder rate in Juárez exploded, writes Duncan Currie in *National Review*.

In the first half of 2010, there were more than 1,300 murders in Juárez, as competing gangs fought for control of the drug trade. By comparison, there was only one murder in El Paso, and that was a murder-suicide. Murders peaked in El Paso at 56 in 1993, and never have exceeded 21 since the late 1990s.

Why is El Paso safer?

"I think the secret is called neighborhood policing," says El Paso Mayor John Cook, referring to police being active in local communities and building partnerships with residents.

John Scagno, who served as El Paso's police chief from 1987 to 1995, agrees.

"The more the citizens worked with us, the more we were able to get prosecutions."

A strong federal law-enforcement presence in the region also plays a role, notes Currie. And drug gangs have little incentive to commit crimes in El Paso, where police solved every murder committed there last year.

Besides, once smugglers have crossed the border, they have little reason to stop in El Paso. Even after those factors have been considered, Currie considers El Paso's low crime rate remarkable. CJ

## New Hanover to Up Water Rates

By MICHAEL LOWREY  
Associate Editor

RALEIGH

New Hanover County continues to face significant challenges with its water and sewer system. To address these, the Cape Fear Public Utility Authority is planning to spend heavily on infrastructure upgrades over the next decade, resulting in annual water and sewer rate increases for its customers, reports the *Wilmington Star-News*.

The authority has identified \$602 million in potential projects, which would bring water and sewer service to essentially the entire county, including currently undeveloped areas. So far, though, it is recommending that only \$380 million of these be built over the next 10 years. CFPUA hopes to finalize its improvement plans for the coming decade later this year, with its 11-member board weighing the trade-offs among repairing its existing system, bringing service to outlying areas, and keeping rate increases in check.

"The goal is to do the right thing at the right time," said authority head Matt Jordan.

The \$380 million in infrastructure spending would necessitate water and sewer rate increases for each of the next 10 years. The biggest rate increases would come over the next few years, with a 12.5 percent increase projected in 2011-12 followed by a 9.5 percent increase in 2012-13. After that, 5.5 percent annual increases are projected for the next four years, with small annual increases to follow.

Most of the money for improvements would be borrowed; in 2021 debt service is projected to account for 51 percent of the authority's expenses, up from 37 percent of expenses today.

### Convention center incentives

The \$221 million Raleigh Convention Center is asking for more tax money to help lure events to the facility.

The business model for convention centers often has them operate as loss leaders for a community's economic development efforts, reports the *Raleigh News & Observer*. The theory is that events will attract enough additional people to the community that their spending would offset losses at the convention center.

The discounts offered to attract groups can be substantial. The Raleigh Convention Center is charging more

than a dozen groups booking the facility through June \$1.00 or nothing. Had the center charged full price, it would have brought in nearly \$532,000.

Convention center officials justify the incentives by saying the amount of money spent locally by those attending the events as being typical for the industry.

The facility is asking for an additional \$400,000 a year from county hotel/motel and prepared food taxes to offer additional subsidies to help attract business.

The John Locke Foundation's Michael Sanera questioned the wisdom of the incentive money.

"The public is losing out by having to subsidize the building and essentially pay to bring visitors to a very concentrated area of downtown Raleigh," he said to the newspaper.

Both the Wake County Commission and Raleigh City Council must approve the convention center's request for additional funding.

### NASCAR Hall of Fame flops

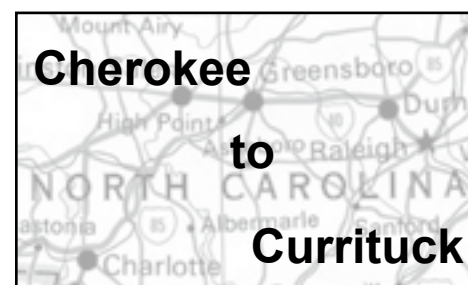
The city of Charlotte hopes that the recently opened NASCAR Hall of Fame will be a huge hit, drawing hoards of tourists to Uptown Charlotte. So far, that hasn't been the case, as the attraction has drawn far fewer people than projected, reports *The Charlotte Observer*.

The Charlotte Regional Visitors Authority, which operates the hall, had projected that it would draw 800,000 people between its opening in early May and the end of June 2011. The authority had estimated 575,000 visitors over its first 12 months of operation, and 400,000 a year after that.

In its first 90 days of operation, the hall drew 102,731 visitors. That works out to about 410,000 a year.

Reaching even that target is likely to prove difficult. While museums featuring art and more academically oriented exhibits tend to have stable attendance throughout the year, that's not the case with sports museums, which draw heavily over the summer months. Attractions also typically draw best during their first year of operation.

Construction of the \$200 million museum was financed by a 2 percent-age-point increase in Mecklenburg County's hotel/motel tax. In addition, the city has borrowed \$21.5 million for the hall from banks and loaned the hall another \$5 million directly. CJ



# N.C. Wiretap Law Might Protect Citizens Who Videotape Police

BY SARA BURROWS  
Associate Editor

RALEIGH

Attorney General Roy Cooper will not say whether it is legal to videotape police officers in public places in North Carolina, as a Maryland motorcyclist did when he was stopped by an off-duty trooper who was out of uniform.

At least one local prosecutor suggests citizens should not be punished for making these recordings, though there's enough ambiguity in the law to leave some civil liberties advocates leery.

The case of Anthony Graber, the Maryland motorcyclist facing 16 years in prison for videotaping an "out-of-control" police officer, has spurred a national debate over the legality of the practice.

Graber was riding along Interstate 95 on his motorcycle when an off-duty state trooper in an unmarked vehicle cut him off, forcing him to the side of the road. The trooper, dressed in plain clothes, got out of his car, pointing his gun at Graber and yelling before identifying himself as "state police."

Graber caught the incident on a video camera attached to his helmet and posted the video on YouTube. After the video went viral, police searched Graber's house, seized his computers, and put him in jail for 26 hours.

Prosecutors say the audio portion of his video violates state wiretapping laws, though the state's attorney general has issued an opinion concluding that it's hard to consider a police stop a private conversation, and that courts



This is an image from the video taken by Maryland motorcyclist Anthony Graber, which has become a YouTube sensation. It shows an armed undercover policeman with gun drawn after stopping Graber for speeding. (Courtesy of YouTube.com)

would likely say the wiretapping law would not apply.

Maryland is one of 12 states in which all parties must consent before a conversation can be recorded. Because the trooper was not aware of the taping, it's possible Graber will be charged with violating the wiretap law. At press time, Harford County State's Attorney Joseph Cassilly had not announced if he would pursue charges.

Had Graber been pulled over in North Carolina, he wouldn't be facing prison time for his recording. North Carolina is a one-party consent state, meaning that it's legal to record audio as long as one participant in the conversation is aware of it. On the other hand, it is illegal to eavesdrop: recording people without their knowledge if you are not a party in the exchange.

Amanda Martin, legal counsel to the North Carolina Press Association,

said it is unlikely a recording made in a public place would be considered eavesdropping.

"Possibly, if someone slipped a microphone into a bush and left, that would be illegal," Martin said.

Otherwise, she said, "the public and the media both have a First Amendment right to record whatever they can see with their naked eye [on] public property."

Wake County District Attorney Colon Willoughby said there has to be an expectation of privacy for the eavesdropping law to apply.

"If police officers are conducting police work in a public place — in a traffic stop or a large public gathering — I don't know why they'd have an expectation of privacy," Willoughby said.

Recording a conversation between an officer and a person being ar-

rested, with neither party consenting, could be a technical violation of the wiretapping law, he said, "but I can't imagine a prosecutor would think that warranted prosecution."

"Suppose you saw the police officer take some property from the person illegally, their wallet perhaps," Willoughby said. "The value of being able to protect the public from the officer's misconduct far outweighs the value of the nonconsensual recording."

Gregg Leslie, legal defense director for Reporters Committee for Freedom of the Press, said the trend of "taping" police has exploded in the last few years.

"Having video capability on cell phones was less common five years ago, and unheard of 10 years ago," Leslie said.

The advance in technology has led to an advance in citizen journalism, he said.

"It's allowed journalists to report the news in a more prompt and authoritative fashion because they have eyewitness accounts captured to electronic memory," he said.

Police are afraid of this power, Leslie said, and it only makes sense that they're trying to take it away.

Gov. Bev Perdue did not respond to requests for comment on this story.

Carolina Journal asked Cooper whether he thought citizens violated any law by videotaping on-duty police in public places. Spokeswoman Noelle Talley responded: "Our office can only provide legal opinions to government officials, so we will not be able to give you a legal opinion on this question." CJ

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FEATURING



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AND



BECKI GRAY

Joe Coletti, Director of Health & Fiscal Policy Studies, will discuss the JLF website NCTransparency.com, and discuss the quality of public information.

Becki Gray, Vice President of Outreach, will discuss what the legislature accomplished, what they didn't, what they should have.

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# Perdue Campaign Advised Stubbs on Reporting Flights

Continued from Page 1

sult, the board fined the Easley campaign \$100,000 and made a criminal referral to the Wake County district attorney's office. Easley left office in January 2009.

This time, the board issued a ruling involving a sitting governor without a formal hearing or sworn testimony.

Perdue campaign officials continue to insist there is no credible evidence that the campaign attempted to conceal flights or other contributions, initially blaming unreported flights on bad recordkeeping and then on sloppy communication among staffers.

Stubbs was a law partner of Perdue's late husband Gary for roughly 25 years. His firm retains the name Stubbs & Perdue P.A., even though Gary Perdue passed away in 1997. Stubbs is a registered Republican, and most of his donations have gone to Republicans.

## Media reporting

Nearly two years ago, *Carolina Journal* first raised the issue of unreported flights involving Easley. An Oct. 20, 2008, *CJ* Online story reported that businessmen Dallas McQueen Campbell Jr. and son McQueen Campbell had provided Easley free and unreported air transportation during his 2000 and 2004 campaigns for governor.

In an Oct. 21 *News & Observer* follow-up to that story, Raleigh attorney John Wallace, then representing Easley's campaign, told the paper that two payments totaling \$11,077 were made in 2005 to Campbell's company for flying services in the 2004 campaign. That explanation was at odds with the nature of the flying described in the *CJ* story.

The following day, Oct. 22, *CJ* tried to discuss the issue with Wallace. He was unavailable by phone but sent the following e-mail message: "I have a brief due tomorrow and many pending matters related to this year's elections. I offered comment to the *N&O* in the absence of any staff familiar with the reports of the 2004 campaign. I doubt that I would have knowledge beyond that which appears in the filed reports of the committee."

## 'Pending matters'

At the time, Wallace also was a legal counsel to the Perdue campaign. One of those "pending matters" could have been how to handle unreported flights paid for by the Stubbs & Perdue law firm.

Stubbs initiated his attempt to deal with unreported contributions by sending a letter to the Perdue campaign Oct. 23. At the time, the unreported flights had been taking place for 20 months.

On May 9, 2009, *The News &*



**N.C. Republican Party Chairman Tom Fetzer, who brought the initial complaint about the unreported flights, talks with media after the Aug. 24 Board of Election meeting in Asheville. (CJ photo by Don Carrington)**

*Observer* published a story on the former governor's unreported air travel titled "Easley's secret flights skirted the law." The story detailed numerous campaign-related flights that McQueen Campbell provided Easley and identified other individuals who did the same.

On May 27, the Perdue campaign made its first payment to Stubbs for unreported flights.

Two months after the Oct. 2009 Easley hearings on unreported flights, Perdue's campaign discovered and paid for additional unreported air travel.

## Strach's June report

Strach's June report stated, "With regard to flights initially paid by Stubbs and Perdue, John Wallace has explained that flights were not disclosed and/or properly paid because the campaign was unaware that Mr. Stubbs was paying for the flights."

But other information in Strach's report shows that Wallace knew before the November 2008 election that Stubbs had paid for charter flights for the Perdue campaign. Wallace became

aware of the flights in October when Stubbs unsuccessfully attempted to designate them an in-kind contribution to the Democratic Party.

In an interview with Strach, Perdue campaign finance director Peter Reichard said that he had contacted Stubbs and prompted him to send the Oct. 23 letter to the Perdue committee in order to get the flights reported.

## 'Payment in kind'

Wallace received a copy of the Stubbs letter, stating that Stubbs had reimbursed his law firm \$28,498 for "payment in kind in the form of airplane transportation for Beverly Perdue." He included a copy of a check in that amount drawn from his personal account payable to Stubbs & Perdue, also dated Oct. 23.

A board form titled "Contribution from a Business Account Statement" also accompanied the letter. It was completed and signed by Stubbs. The form was designed to allow campaign donors who do not have personal checking accounts to make donations from business accounts without violating the law prohibiting corporate



**Perdue campaign attorney John Wallace reviews notes at Aug. 24 Board of Elections meeting in Asheville. (CJ photo by Don Carrington)**

contributions to political candidates.

Stubbs in fact had a personal account — his check to Stubbs & Perdue P.A. was drawn on the account — and yet he completed and signed a form stating: "I do not have a personal checking account, in my name, from which this contribution could be made." It also contained the following statement: "I understand that by signing this Statement I am declaring all of the above information is true and accurate. Signing this statement with any portion not being true could result in a Class 2 Misdemeanor." Strach's report states that Stubbs said he didn't know who gave him the form to complete.

Exactly how Stubbs' in-kind proposal was presented to the Democratic Party is not clear, but the following day, Oct. 24, Wallace — serving as a representative of the state Democratic Party rather than the Perdue campaign — sent a letter to Stubbs saying the Democratic Party was unable to accept his in-kind contribution.

The Perdue campaign didn't acknowledge the flights or pay Stubbs for them until May 27, 2009. On fundraising reports, the flights provided by Stubbs are listed as "debts."

*CJ* attempted to discuss the flights with Stubbs, but he did not return repeated calls to his office.

## Campaign's defense

The heart of the Perdue campaign's defense was that no one has produced any documents showing the campaign intentionally misrepresented flights. The campaign said it created a system to track flights in 2005 and improved it in 2007. Innocent mistakes led to dozens of unreported flights.

But Strach released a supplemental report to the board prior to the meeting concluding that, "by the middle of 2007, the Perdue campaign's process for documenting and disclosing flights had progressed to a sophisticated level."

In response to the fine from the board, Perdue released the following statement: "For eight months now I have said repeatedly — my campaign had a flawed system for recording flights, and we should have done a better job. But it's clear there was never any intent by my campaign to conceal any flights or contributions, and today the Board formally recognized that fact. My campaign will pay the fine by the end of the day, and I look forward to putting this matter to rest."

Not everyone agrees with Perdue's assessment.

Joe Sinsheimer, a Democratic campaign consultant who has become a government watchdog, said, "This has been an eight-month process. Perdue wanted it to go away, but at the end she wanted a fine to end it. Then she could bury it." *CJ*

# University Administrative Bloat Rising, N.C. Not Immune

Continued from Page 1

well as elite private institutions," the authors said.

Wake Forest also saw a large jump in the number of teaching, research, and service staff (238.7 percent) per 100 students. Student enrollment grew 21.8 percent.

Wake Forest also was ranked first for percentage increase in university spending on administration per student, with a whopping 663.0 percent jump. At the same time, instructional spending per student declined 33.4 percent, while research and service spending per student increased 36.7 percent.

## North Carolina institutions

Of the six North Carolina institutions in the study, the next highest ranked in administrative bloat was North Carolina State University, with

an increase of 61.4 percent in administrative positions per 100 students versus a 4.6 percent increase in teaching, research, and service employees. Student enrollment grew 14.4 percent.

For percentage increase in university spending on administration per student, N.C. State ranked near the bottom third of the 198 universities, and second lowest among the N.C. institutions, with an increase of 32.9 percent. University spending on instruction per student increased 23.1 percent, and spending on research and service increased 8.6 percent.

Duke University, on the other hand, ranked in the bottom fourth among the 198 universities and lowest among the N.C. universities regarding percentage increase in administrative employment per 100 students. Administrative positions grew 14.8 percent, while instructional, research, and service positions grew 11.6 percent. Total

full-time employees per 100 students declined 21.8 percent, in large part from reductions in clerical and other staff. Student enrollment climbed 20.5 percent.

## Duke's ranking

For percentage increase in university spending on administration per student, Duke University ranked near the top of the 198 institutions and second among the N.C. institutions. University spending on instruction per student increased 118.3 percent, and spending on research and service increased 93.7 percent.

In contrast, the report shows that the University of Michigan was one of only a handful of universities that reduced the number of administrators (5.5 percent) while increasing the number of full-time instructional, research, and service staff (68 percent). Inflation-adjusted spending on administration per student at UM also increased by a modest 7.5 percent, while instructional spending rose by 29.2 percent.

Unlike institutions with the largest increases in administrative bloat, UM received declining government subsidies over the period, and "that financial independence from the state seems to be moving the university in the right direction," explained the authors.

The average rate of increase in administration from 1993 to 2007 and the rate of increase in instruction, research, and service personnel were roughly similar (40.1 percent and 39.8 percent, respectively) for private universities. In contrast, public universities boosted administrative staff four times faster than other staff — 39.9 percent and 9.8 percent, respectively.

## Investing in 'paper pushers'

Increased government subsidies do not reduce costs to students, the authors said, noting that inflation-adjusted tuition rose by 66.7 percent from 1993 to 2007. Nor have higher subsidies improved instructional quality because "both instructional employment and spending increases have trailed administrative increases."

Rather than becoming more efficient, the authors explained that many of these universities achieved "diseconomies of scale" because they required 13.1 percent more employees in 2007 than they employed in 1993 to educate the same number of students.

Kisida, a research associate at the University of Arkansas and one of

the study's co-authors, told *Carolina Journal* that students would be served better if "more power were placed into the hands of consumers to find the best deal. Since institutions receive most of their funding from government, private gifts, and fees for noneducational services, universities have little incentive to economize."

"North Carolinians talk about higher education as a great investment, but this report shows that universities are putting too much money into administration instead of teaching and research," said George Leef, director of research for the John William Pope Center for Higher Education Policy, "and that's not a good return on investment."

## 'A shocking report'

"It was a shocking report, especially for Wake Forest," said Thomas Taylor, professor emeritus of accountancy at Calloway School of Business and Accounting at Wake Forest, "and I really can't explain it, except to say that parents and students seem to expect new services."


Both Leef and Taylor said many universities continue adding services, many of which already are being provided by companies in the private sector. For example, Taylor mentioned a *Winston-Salem Journal* story published Aug. 15 discussing new substance abuse services at Wake Forest. The school is hiring its first substance abuse counselor and will be building new social venues on campus.

"Accountability is lacking," Leef added. As the Goldwater Institute study suggests, as long as students are shielded from paying for the rise in administrative costs, university leaders have little incentive to re-examine their priorities.

The report did not address directly administrative bloat in for-profit versus nonprofit universities. Leef said it also would be instructive to compare the salaries of administrators and faculty, since data from other sources show that administrators at most of the institutions in the Goldwater Institute study earn much more than faculty members.

Another area to explore, Leef suggested, would be whether there's a significant difference in administrative costs, per-student spending, or faculty costs between small, private, liberal arts institutions that have low endowments and offer modest faculty pay versus well-funded institutions such as Duke. CJ

Administrative costs rose four times faster than other staff costs at public universities




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|---|---|
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# Wolfe: 'Subsidiarity' Explains Why It's Good to Decentralize Power

By CJ STAFF

RALEIGH  
**I**n the wake of federal stimulus packages, bailouts, and massive overhauls of the nation's health care and financial sectors, the concept of "limited government" might appear out of date. Still, the American system of government is designed to adhere to constitutionally defined limits. Key to the success of that system is a concept known as subsidiarity. Christopher Wolfe, co-director of the Thomas International Center and professor emeritus of political science at Marquette University, recently discussed subsidiarity with the John Locke Foundation's Shaftesbury Society. He also spoke with Mitch Kokai for Carolina Journal Radio. (Head to <http://www.carolina-journal.com/cjradio/> to find a station near you or to learn about the weekly CJ Radio podcast.)



*"[W]hen individuals rely on themselves, they have to do things, they have to have initiative, they have to develop their talents and abilities, and that really helps them to develop as human beings, and that's a good thing. That's what government should want to do, to create the conditions where people are able to develop themselves and become better human beings."*

*Christopher Wolfe  
 Co-Director  
 Thomas International Center*

**Kokai:** First of all, subsidiarity: Some people may have heard that term, but many in our audience probably have not. What does that mean?

**Wolfe:** I suspect most haven't. It's basically the idea that tasks that can be performed competently by individuals should be done by them, rather than by communities, and tasks that can be performed by lower levels of community should be done by them rather than higher communities. So it's basically kind of a decentralization principle that things should be done at the lowest level of community where they can be done adequately.

**Kokai:** How would this fit in with the idea then of limited government?

**Wolfe:** Well, it's very associated with some of the ideas of decentralization that have been important in American government. Federalism is one obvious example of decentralization, but even within the states themselves there's a lot of decentralization, and subsidiarity provides a kind of theoretical foundation. It explains why it's a good thing to decentralize power.

**Kokai:** You mentioned during your presentation that this concept of subsidiarity is different as a foundation for limited government than the concept that fans of John Locke know about, which is trying to keep the bad guys from doing bad things to us.

**Wolfe:** Yeah, the Lockean argument for limited government is rooted in a certain theory, a theory of the state of nature and of the social contract. It kind of presumes that human beings start out as isolated individuals, and then, in a sense, men invent government. Governments are a kind of artificial construction or invention of

human beings, and I just don't think that's a very accurate understanding of the origins of government. I think [that] government is really natural and that we are kind of born into communities, beginning with the family. But those families themselves are pretty typically imbedded in larger communities at different levels. And so I just think that we ought to look for a somewhat different theoretical account of the foundations of limited government from the one that Locke offers, and I think subsidiarity does that.

**Kokai:** OK, so you've explained what subsidiarity is. Some people, I hope, are grasping what it is, but they still might be asking themselves, "Well, why is this important?" Why is it important to have the lowest level, either the individual or lowest-level group, performing a function rather than someone else? Why is that important?

**Wolfe:** That's the right question to ask, and I think the answer is this: that if we want a kind of adequate broad theory of government, we ought to start with the dignity of the human person and the common good. We want a society that really tries to help all individual human beings to achieve the fulfillment that they want. Now, the way that's done, typically, is not by people telling other people what to do or doing it for them. What it really means is helping human beings to pursue their fulfillment, and that means that higher levels of association should not displace the initiative and the activity of lower communities and of individuals, because when they do that, in a way they're making those individuals dependent on them, rather than the individuals relying on themselves. And when individuals rely on themselves, they have to do things, they have to have initiative, they have to

develop their talents and abilities, and that really helps them to develop as human beings, and that's a good thing. That's what government should want to do, to create the conditions where people are able to develop themselves and become better human beings.

**Kokai:** An example you gave in the presentation that fits in with what we were just talking about is someone in government saying, "Don't worry about this. We'll take care of it." And that seems to be something that could be a long-term problem, isn't it?

**Wolfe:** Oh, yeah. I mean, Alexis de Tocqueville, I think, is a great analyst of American life. He wrote a great book called *Democracy in America*, and in that he really stresses that one of the tremendous advantages of democracy is precisely that it stimulates individual initiative. It stimulates people to be active and to undertake interesting activities that develop their own abilities. And one of Tocqueville's great fears about democracy is that there's such a great love of equality in democracy and there's such a great tendency toward individualism that people in the end might not be as involved in political activity as they ought to be, and they might be willing to turn over government to a small group of leaders and let those leaders do things for them, rather than really do things themselves and be more actively involved themselves in the various activities in their lives.

So, I mean, Tocqueville would be an example of a thinker who kind of worries about what he calls "democratic despotism," where you have this vast superintending power which will take care of people, so it looks from one perspective as if it's benevolent, but by doing so really deprive people of the opportunity to live their own lives and

thereby actually end up harming people rather than helping them.

**Kokai:** If that's the type of outcome that people would have chosen on their own because they think, "Well, you know, these people in the government, they know what they're doing, let's let them take care of it," are there safeguards we need to build into our system, or preserve within our system, to stop the central government from taking over too much authority?

**Wolfe:** Well, I think that's what we did in the Constitution. I mean, federalism, for example, is a fundamental constitutional principle. It says that there is a kind of division of power between the central government and the states, and that's one way of protecting the initiative of at least the states as a lower level of political organization. It also operates politically even within the national government, because even when the national government does things, very often rather than doing it directly itself, it will do things through states and localities and lower levels of organization. Or it might even do it through private associations. I think of the faith-based initiative, for example, that President George W. Bush promoted, and I think he did that partly with a view to subsidiarity, that rather than just the government running programs, they could cooperate with various voluntary associations, including religious ones, in order to try to achieve the goals that we think are beneficial.

For instance, a good example would be substance abuse programs. There's some real evidence that faith-based programs are much more effective than certain government programs, and so, by promoting that approach, you see a kind of example of subsidiarity in action. CJ



# Fayetteville State Leads In Syllabus Transparency

BY JANE S. SHAW  
Contributor

RALEIGH

The word “transparency” gets bandied about a lot on campuses today, including those in the University of North Carolina system. One UNC school, Fayetteville State University, is in front of the rest when it comes to an important type of transparency: the public online posting of course descriptions.

In July 2008, the Pope Center recommended that the UNC system create a mandatory policy for online posting of syllabi, the full and detailed descriptions of college courses. In a Pope Center paper, Jay Schalin argued that students should be able to see syllabi before registering for a course, allowing the public to discover what is being taught.

Fayetteville State has implemented such a policy. By the fall of 2009, the Web page of each academic department had a link called “Syllabi” listing each course’s complete syllabus, as a PDF. (Not all are up-to-date, however, for this fall.)

Unlike the brief descriptions in schools’ catalogs, syllabi usually have several — sometimes many — pages. They typically include the schedule for classroom topics, assignments, and exams, tell the students how activities such as exams and class discussion will be weighted in the final grade, and list the books or course materials that the students are expected to read.

Fayetteville State wasn’t responding directly to the Pope Center’s recommendation when it posted its syllabi, although the provost and his staff were aware of the Pope Center proposal.

Rather, says Jon Young, Fayetteville State’s provost, the requirement is part of a long-term effort to make the university and its activities more transparent.

“We’re supported by the taxpayers of North Carolina. People have a right to see what we’re doing,” said Young in an interview. The campus has an enrollment of about 5,500 students.

Not only do the public and students have a right to know about the school’s courses, but posting has an-

other benefit, says Young. The policy “helps faculty to know there’s another — a public — audience.”

Young also sees the posting as a management tool that will help the school meet growing pressure for accountability. At Fayetteville State, the syllabi spell out the expected learning outcomes.

Professor Greg Rich’s section of Philosophy 110, “Critical Thinking,” for example, has a long list of specific goals such as learning to distinguish arguments from “other sets of claims that are not inferentially related,” and to “identify the parts of arguments,” such as the conclusion and premise. By announcing expected learning outcomes, faculty can meet department-wide standards while at the same time they have the freedom to design their courses as they wish.



Fayetteville State appears to be the only one of the 17 UNC campuses that has instituted a mandatory posting policy, even though UNC Presi-

dent Erskine Bowles has endorsed the approach and it was discussed at a meeting of the system’s chief academic officers last fall.

Some officials at other UNC universities recognize that providing more information for students and the public is a legitimate need, although they haven’t made it mandatory.

- Warwick A. Arden, former interim provost at N.C. State University, told the Pope Center that the university is “committed to the underlying goals” of the Pope Center recommendation. He said that in early 2009, N.C. State began a more information-filled system, which supplies to the general public “longer, more accurate course descriptions, links to required textbooks, restrictions, and prerequisites.”

- Harold Martin, chancellor of North Carolina A&T State University, also agrees with the idea of posting syllabi. “I believe the Pope Center recommendation is a great idea, and I am supportive of it,” he wrote. CJ

Jane S. Shaw is president of the John W. Pope Center for Higher Education Policy ([popecenter.org](http://popecenter.org)). Jay Schalin’s paper, “Opening Up the Classroom,” is available on the center’s site.

COMMENTARY

## Not Education, Just Credentials

**H**elp Wanted, by Anthony Carnevale, Nicole Smith, and Jeff Strohl, recently was published by the Georgetown Center for Education and the Workforce. This paper predicts that there will be an “accelerating shift to jobs requiring post-secondary education.” Thus, more students need to go to college.

But exactly what does it mean to say that post-secondary education is a “requirement” for a person to do a job? You might think the authors would devote at least a paragraph or two (in a 100-page paper) to that question, but they don’t address it at all.

It could mean that the job is so demanding intellectually that no person who ended formal education after completing high school possibly could learn to do it. Some jobs are like that. It makes sense for an employer seeking someone to do biomedical engineering research to confine the search to college graduates.

But far more often, the college “requirement” has nothing to do with knowledge you can get only through college study. A business that deals in horror videos recently required applicants for a job as “traffic coordinator” to have a bachelor’s degree.

The employer was using the college credential as a screening mechanism. Lots of college grads are hunting for jobs, so there’s nothing lost in filtering out applicants without degrees. In his 2008 book *Real Education*, Charles Murray observed that for many jobs, “the advantage conferred by the B.A. often has nothing to do with the content of the education. The employer does not value what the student learned, just that the student has a degree.”

In their book *Saving Higher Education in the Age of Money*, James Engell and Anthony Dangerfield wrote, “[T]he United States has become the most rigidly credentialized society in the world. A B.A. is required for jobs that by no stretch of imagination need two years full time training, let alone four.”

Furthermore, at least some people who do not have the “required” education for their jobs are doing them. Most managers, those involved in strategic planning and day-to-day policy decisions, now have college degrees, but the data show that 18 percent of the people in this field have finished only high school and 2 percent more dropped out of high school.

Undoubtedly, those individuals were hired before the credential mania started to engulf American business. I know someone like that. He finished high school in the mid-1970s and went to work for an insurance company. He has risen to a senior management position, but his company now requires college degrees for positions of less responsibility than his. My friend couldn’t even get an interview for most entry-level positions today.



**GEORGE LEEF**

Throughout the Georgetown paper, readers are led to believe that if workers don’t have some college education, they won’t be able to adjust to changing skill requirements. But the paper offers no evidence to support that assumption. And there is research to the contrary, indicating that workers with lower educational levels often are pretty adaptable. Sociology professor Michael Handel, in a 2003 paper titled “Skills Mismatch in the Labor Market,” points to studies such as one in which an old factory was modernized. Nearly all of its workers were high school graduates or dropouts, yet they adapted smoothly to the new skill requirements after the modernization. You don’t have to be a college graduate to learn new things.

There is much else that is wrong with *Help Wanted*. In sum, it doesn’t come close to making a persuasive case that the economy is changing so dramatically that we must increase the amount of formal education workers have. CJ

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

## Campus Briefs

Diversity advocacy continues at the University of North Carolina at Chapel Hill. The latest sign is the Diversity Career Fair on the Chapel Hill campus. Slated for Sept. 15, the fair will precede the university-wide Fall Career Expo by one day.

The mission of the Diversity Career Fair is "to help students connect with employers seeking to create and sustain diverse workforce environments primarily through ethnic and racial minority recruitment." The fair organizers invited employers who are interested in "creating a dynamic, inviting, productive, and inclusive work environment for [their] ever-diversifying staff."

The Diversity Career Fair differs from other university career fairs only in the students who are encouraged to attend. An e-mail from University Career Services explains: "[A]s the definition of diversity has broadened, UNC Chapel Hill has expanded its definition to include a variety of underrepresented and underserved student populations including women, people of diverse sexual orientations, gender identities, gender expressions, disability statuses, and veterans." The e-mail goes on to detail the demographics of Carolina's student body, focusing on the number of African American, Hispanic, Asian American, and Native American students.

It appears that the only people who clearly are not welcome at the fair are heterosexual white males with no disabilities or military service.

UCS's website explains its commitment to "special populations": "If you identify as a racial or ethnic minority, a member of the LGBT community, or as an individual with a disability, you may face additional challenges associated with exploring career options. At University Career Services, we are committed to providing the resources and support to assist you in navigating the complex landscape of the school to work transition."

The day after the Diversity Career Fair, UCS, which also sponsors career fairs for law students and other professional students, will sponsor the Fall Career Expo, at which all "UNC Chapel Hill students interested in obtaining a full-time job" are to be represented. CJ

Compiled by Jenna Ashley Robinson, campus outreach coordinator for the John W. Pope Center for Higher Education in Raleigh (popecenter.org).

# AMA Writes Wrong Prescription for Medical Schools

By DUKE CHESTON  
Contributor

RALEIGH

Too all the premed undergraduates out there, put down the organic chemistry textbook and MCAT prep flashcards. You may be wasting your time.

To combat the shortage of primary care doctors, medical schools are changing their admissions criteria. A recent initiative within the medical community will see to it that grades and test scores count for less in medical schools' acceptance policies while personal qualities such as "social accountability" count for more.

In his book *Med School Rx: Getting In, Getting Through, and Getting On with Doctoring*, Walter Hartwig discusses the new direction medical school admissions have taken as a result of this "Initiative to Transform Medical Education," prepared by experts commissioned by the American Medical Association.

The initiative issued 10 recommendations. The first instructs admissions officers at medical schools to "Apportion more weight in admissions decisions to characteristics of applicants that predict success in the interpersonal domains of medicine."

"The basic intent of the recommendation," Hartwig explains, "is to improve our ability to find future primary care physicians in the applicant pool, and history suggests that they are not among the high MCAT [the Medical College Admission Test] achievers."

Until now, the AMA claims, medical-school admission processes selected mostly for applicants' "abilities to acquire knowledge and to problem-solve." But the authors of the initiative believe that those talents "may lead physicians to perceive patients simply as sources of data and 'problems to be solved,' instead of as individuals in need."

Furthermore, during their training, today's physicians "lose altruism and the caring aspects of medicine." They do not become "advocates for patients related to issues related to social justice (for example, elimination of health care disparities, access to care) [or] citizen leaders inside and outside of the medical profession."

But some evidence suggests that the AMA is going after the wrong target. Government policy, not lack of "altruism," appears to be behind the shortage of primary care physicians.

Only a small fraction of graduating medical students go into primary care today. One probable reason is that it pays a lot less than specialty practice — roughly half the amount, on average (\$161,816 in 2004 compared with \$297,000 for specialists).

Price manipulation by a govern-



ment-sanctioned system is a factor in the pay differential. In a 2007 *Annals of Internal Medicine* article, "The Primary Care-Specialty Income Gap: Why It Matters," Thomas Bodenheimer, Robert A. Berenson, and Paul Rudolf list several reasons why primary physicians earn less.

One factor is technology, which enables specialists to increase the number of their procedures. Primary care doctors find it hard to increase the number of patients without diminishing patient satisfaction.

A more fundamental reason is the way that treatment prices are assessed. At the heart of the medical pricing system is a small panel of central planners called the Relative Value Scale Update Committee, a panel of 26 voting members, the vast majority of whom represent specialty societies. RUC is part of the Resource-Based Relative Value Scale system, the model used by Medicare, Medicaid, and nearly all HMOs

to determine compensation for physician services.

In a policy enshrined in U. S. law in 1989, the RUC assigns a value for each new procedure and considers price revisions for existing services. Doctors' representatives on this committee basically vote themselves raises.

Specialists are favored over generalists because under the Balanced Budget Act of 1997, the total amount of money paid by Medicare is like a pie. If one group receives a larger slice due to increased fees or greater volume, everyone else gets a smaller slice.

Because primary care physicians make up about half of all doctors, higher fees for them would decrease fees for most RUC voting members severely. But because specialists' fees are a small slice of the pie, increasing those fees doesn't hurt the earning power of the other members as much.

Another factor is that private insurers have embraced the government-sanctioned

RBRVS system. And, due to the negotiating power of organized specialty groups like the American College of Radiology, insurers are forced to pay higher fees to specialists.

Technology, government policy, and organized interests have combined to make specialty medicine financially attractive to graduating medical students. CJ

Duke Cheston is a reporter and writer for the John W. Pope Center for Higher Education Policy (popecenter.org).

At the heart of the medical pricing system is a small panel of central planners

## Do universities really make the local economy stronger?



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

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

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Opinion

# Atlas Shrugged's Free-Market Ideas Anathema to Statist AAUP

A major academic controversy has been building the last few years, featuring arguments about academic freedom, faculty autonomy, ownership of the curriculum, the rights of university donors — and Ayn Rand's famous novel, *Atlas Shrugged*.

The person who initiated the Ivory Tower's disquiet is John Allison. Allison is the recently retired chairman of Winston-Salem-based BB&T. He is also a devotee of Rand and used the money from BB&T's charitable



JAY SCHALIN

foundation to promote *Atlas Shrugged*, Rand's Objectivist philosophy, and favorable attitudes toward capitalism and individualism on campus.

BB&T has given grants to over 40 colleges and universities, mainly with stipulations to create pro-capitalism classes in which Rand's writing is included. Sometimes, copies of *Atlas Shrugged* are passed out to large sections of the student body as well.

The latest issue of *Academe* — the house organ of the American Association of University Professors — launched a two-article attack on Allison's activities. One article, by Guilford College psychology professor Richie Zweigenhaft, decries the fact that the entire faculty was not consulted before his school accepted a BB&T grant. The other article, by

Gary H. Jones, a business communication professor at Western Carolina University, gives a more comprehensive overview of BB&T's grants and the issue of donations with strings attached.

Zweigenhaft cites Jonathan Knight, the former head of the AAUP's Department of Academic Freedom, Tenure, and Governance, who said: "A corporation crosses a line and a university is complicit in crossing the line if it accepts money and accedes to a request to assign specific books."

Nobody wants to allow corn flakes manufacturers to fund college nutrition courses extolling the health benefits of their products. Certainly, an ethical line would be crossed if BB&T money were used to promote BB&T products or to advocate explicitly specific banking regulations favorable to its bottom line.

But Allison's grants were not intended to make him or the bank rich. His intent is to help others get rich by promoting beliefs that lead to individual success, and to redeem a nation that he sees is losing its way.

Not everybody is thrilled with Allison's generosity. Rand's ideas are anathema to many academics. Some schools, including Meredith College in Raleigh, have rejected Allison's money outright.

In truth, other donors rarely



place such aggressive stipulations on gifts as does Allison. But other donors are not trying to introduce ideas held in contempt by academia's mainstream, and he therefore must get explicit agree-

ments to ensure that his wishes are fulfilled.

On the other hand, wealthy liberal donors understand, from the left's overwhelming dominance in the humanities and social sciences, that their aims will be carried out. The Ford Foundation or the Pew Charitable Trust need not specify their demands when it comes to social welfare policy or environmental sustainability — the recipients are totally in sync with their wishes.

Furthermore, academia's biggest monetary supporter demands explicit cooperation from universities in exchange for funding. The federal government insists on compliance with various mandates — or else threatens to withhold money. One of the best-known examples is Title IX of the Education Amendments of 1972, which mandates nondiscrimination based on sex.

The government's contingent funding differs little from Allison's willingness to give money only if certain conditions are met. Yet the AAUP cries foul only when the banker tries to make the academy more market-oriented, not when the government

tries to impose its egalitarian decrees.

This is because the AAUP and faculty favor statism. While any free-market course or program is likely to draw their ire, Rand's inclusion especially is galling to the campus left. Her books created attractive, noble characters who reject submission to the state, and made the capitalist and the rugged individualist sympathetic like nobody else ever has. Elsewhere, the capitalist's portrayal in popular culture has been almost exclusively negative, from Charles Dickens' novels to the movie "Wall Street"; Rand's writing has served as an antidote for that stereotype for several generations.

In 1991, in a Library of Congress poll to see which books most influenced Americans, *Atlas Shrugged* came in second, below only the Bible. Because of Rand's gift for reaching young people on an emotional level — which the left has long known is the easiest way to sway them — she is not welcome on many campuses.

The AAUP's attack on John Allison is less about the process of introducing ideas to the young than about controlling which ideas are introduced. This resistance to influences from outside the narrow confines of academia and refusal to embrace ideas that circulate in private industry, churches, and think tanks eventually could be the Ivory Tower's undoing. CJ

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

## North Carolinians for Home Education

The MISSION of NCHE is to:

- PROTECT the right to homeschool in North Carolina.
- PROMOTE homeschooling as an excellent educational choice.
- PROVIDE Support to homeschoolers with conferences, book fairs, and other resources.



The IDEALS of NCHE are:

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- Responsible citizenship.
- Freedom of choice among educational alternatives.
- Defense of Constitutional rights.

Over 9000 people will attend the annual conference and book fair in Winston-Salem May 26-28. For more information about NCHE, you can call the office at 919-790-1100 or visit the website at [www.nche.com](http://www.nche.com)

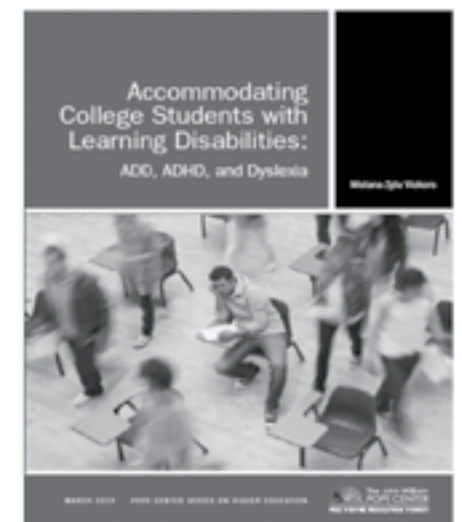
As of January 2005, there were over 60,000 homeschoolers registered in the state of North Carolina.

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## From the Liberty Library

• Obama's national health care mandate undoubtedly will lead to the largest expansion of government in the history of the United States and will cost taxpayers around \$1 trillion over 10 years. And that's just the beginning, says Sally Pipes, author of *The Truth About Obamacare*.

By analyzing carefully the most insidious piece of legislation ever passed, Pipes lays bare every anti-freedom, anti-business detail the Obama administration doesn't want you to see. As president of the Pacific Research Institute and a native of Canada, Pipes knows exactly how this socialized form of health care will affect our society negatively — because it already has in Canada.

Exposing the lies and rhetoric that have dominated the discussion about health care, *The Truth About Obamacare* offers the cold, hard facts. Learn more at [www.regnery.com](http://www.regnery.com).

• If the Obama administration has one overriding objective — tying together health care “reform,” non-stop meddling in the economy, and hard-Left Supreme Court appointments — it's that big government should make decisions for you. When it comes to how you live your life, Washington bureaucrats know best. Or so they tell us.

Nationally syndicated columnist Terence P. Jeffrey tells a different story. In *Control Freaks: 7 Ways Liberals Want to Ruin Your Life*, Jeffrey reveals how liberals are trying to transform America from the limited government of the Founding Fathers into the unlimited government of liberal control freaks. More at [www.regnery.com](http://www.regnery.com).

• Religious faith is under assault. In books, movies, and on television, secular critics are attacking religion and the religious with a renewed vigor.

These “new atheists” typically repeat a two-part mantra. First, they claim that religious faith is irrational. Then they assert that irrational people possessed of such faith are responsible for most of the hatred and bloodshed that have plagued humanity.

David Brog's *Defense of Faith* examines this proposition in the context of Western civilization and the Judeo-Christian tradition and asserts that the Judeo-Christian tradition easily has been the most effective curb on the dark defects of human nature. Learn more at [www.encounterbooks.com](http://www.encounterbooks.com). CJ

## Book Review

# Karl Rove Aims to Set Record Straight on Bush Years

• Karl Rove, *Courage and Consequence: My Life as a Conservative in the Fight*, New York: Threshold Editions, 2010, 596 pages, \$30.00.

BY GEORGE STEPHENS  
Contributor

RALEIGH

Karl Rove is “the Architect,” perhaps the most successful conservative political strategist of modern times. *Courage and Consequence* explains his philosophy, campaign strategies, and methods. From the presidency of the national College Republicans at age 22 through the George W. Bush campaigns for governor of Texas, two successful Bush presidential runs, and service as Bush White House senior adviser and deputy chief of staff Rove was, as the book title puts it, “in the fight” and usually the winner. As a consequence, he made enemies, though he had admirers among Democratic political pros, including Bill Clinton.

His College Republican work came to the attention of George H. W. Bush, chairman of the Republican National Committee, which began a long association with the Bush family. In his career he developed many of the techniques of direct mail advertising. He became an effective campaigner through intellect and experience.

Rove's first management of an electoral victory was a stunner. Ann Richards was governor of Texas in the early '90s and had an approval rating of 67 percent. She was charismatic and humorous, famous for saying that George H. W. was “born with a silver foot in his mouth.” George W. Bush ran against her and won. He was encouraged to get in the race and guided by Rove, on the issues of school funding in particular, along with welfare, juvenile justice, and legal reform. It is Rove's belief that winning campaigns must be positive. Bush was the successful governor of a large state, won a second term and began to be mentioned for president. In the 2000 election against Al Gore, Bush won so narrowly that the validity of some ballots had to be decided by the U.S. Supreme Court.

George W. Bush's presidency began with “ambitious, transformative ideas about domestic policy,” says Rove. Bush had critics on the left, of course, but also on the right, who said that he did not control federal spending and that his education and prescription drug benefits expanded the federal government. He came into office in a recession

(sound familiar?) and persuaded Congress to pass tax relief, but in a concession to Democrats the lower rates were set to expire at the end of 2010. Rove argues that the cuts were beneficial and that they initiated the longest period of economic growth since President Reagan.

Rove says that though Bush had the reputation of being hostile to the environment, that was a false accusation. Environmentalists bristled because he opposed the Kyoto international global-warming agreements, which would have stifled America's economy and job creation while giving a free ride to the developing world. The Senate opposed the treaty unanimously. Meantime, Bush committed \$22 billion to climate change technology, research, and deployment — more than the rest of the world combined.

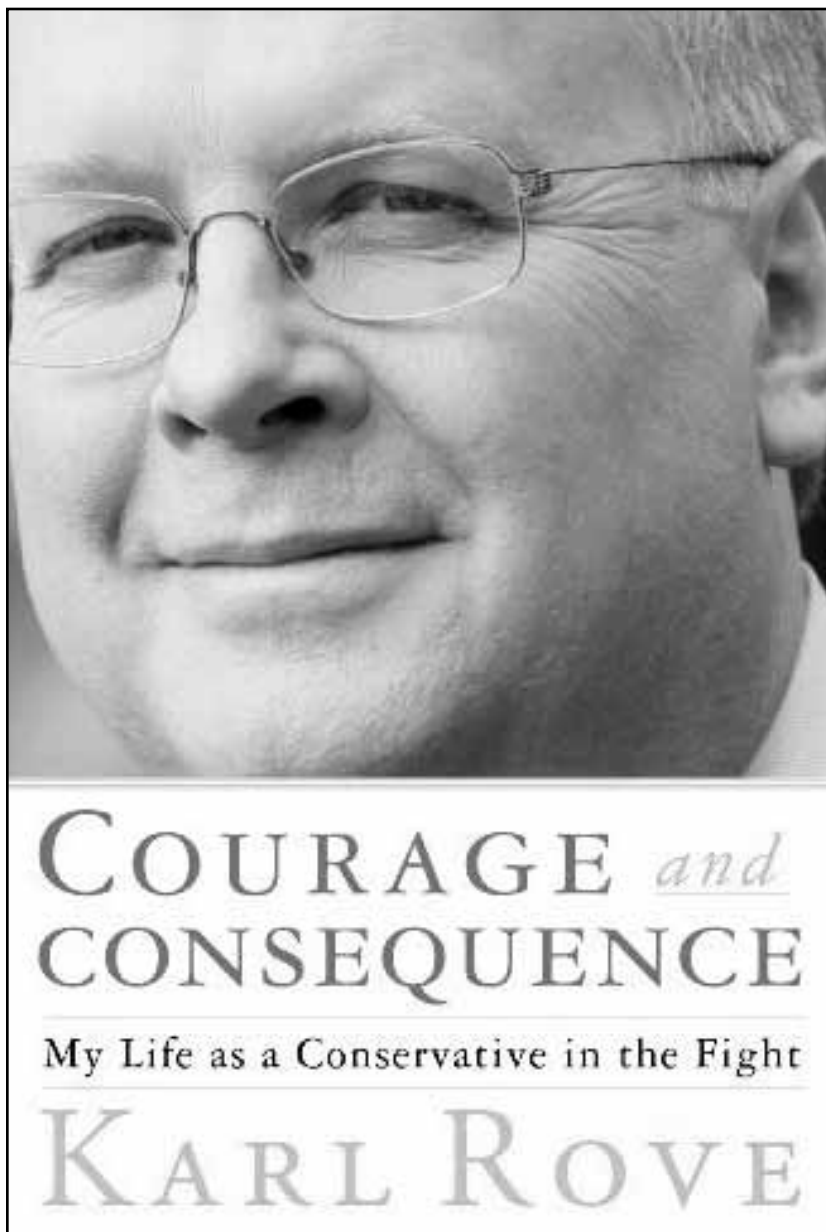
The president had intended to push “transformative ideas about domestic policy,” Rove says, including “faith-based” initiatives, but the World Trade Center attack of September 11, 2001, transformed his into a wartime presidency, waging a new kind of war. Bush decided to invade Iraq

because he believed Saddam Hussein had weapons of mass destruction: biological, chemical, and probably nuclear. Leading Democrats publicly had agreed that the dictator had them, but changed their positions in the election of 2004. That campaign featured the charge that the president had lied the nation into war, which Rove calls “the most serious allegation that can be leveled against a president.” In the book, Rove says that his most serious mistake in the White House was not insisting that the charge be refuted. He repeated this mea culpa in a *Wall Street Journal* column published July 15 of this year.

The memoir's dual themes are: correcting Rove's own public record and justifying and enhancing President Bush's. Rove explains his own politics and defends his tactics in campaigns and in the White House. The criticisms of those tactics hit home. Rove had not

been in position to respond, so he was anxious to get into print. Like Henry Kissinger, he understands the advantage of being the first adviser of a departing president to publish an inside-the-White-House book.

Rove remains loyal to his president. In the last sentence of the book, he says that he is “proud to have been part of the long journey of a man of courage and consequence who sought to provide conservative reform of great institutions in need of repair and kept America safe in its hour of peril.” CJ



# During Our Nation's Founding Era, the States Reign Supreme

Many Americans forget the role that states played during the American Revolution and in the formative years of the United States. And many North Carolinians forget the valuable role that our state played in that war and in constitutional thought. This memory loss has contributed greatly to chipping away at the federalist foundation of the American form of government.



**TROY KICKLER**

Definitions are important for a proper historical understanding of the founding era. Let's consider the Declaration of Independence — the 29 grievances against King George III listed by the American colonies. The words "State" or "States" are mentioned throughout, and it was the "united States of America" which complained about the monarch's abuse of power. The capitalization of "states" is important. Americans meant something different then when using the word "state" than they do

nowadays.

Today, states act more like functionaries of the national government, and state legislatures fear losing national money and therefore implement national programs that legislators might otherwise reject. When the founders used "State" in 1776 and in 1789, a State possessed more sovereignty than it does now, and it was more on par with England and France than with its counterparts such as Yorkshire in England and Brittany in France.

Americans also use "Congress" differently now, too. In the late 1700s, the word was understood to mean a meeting of delegates from sovereign states who voted on matters. This understanding derived from The Congress of Westphalia (1648), in which delegates from various sovereigns voted on a peace treaty and its provisions and thereby ended the Thirty Years War and the Eighty Years War in Europe.

I hear federalism (or states' rights) mentioned now on radio and television talk shows more than I've heard in some time. That's good. But in an age when even conservatives have adopted a modern politi-

cal mind-set and believe all answers originate in Washington, D.C., history needs to be taught now — maybe more than ever. Because as the prolific conservative political thinker Russell Kirk reminds readers in *The Conservative Constitution*, all political terms have a history, and even good statesmen can commit egregious errors if they are ignorant of those histories.

The Declaration of Independence is an important document, to be sure. But Americans view it many times with an anachronistic lens that distorts the past and obscures the document's federalist underpinnings. Americans, many of them at least, are unaware that many states basically had declared their independence from Great Britain before the colonies did collectively. In North Carolina, The Fourth Provincial Congress empowered delegates to vote for independence with delegates from other states. Virginia, to name one more example, acted similarly a couple of months later.

It was a great concern for North Carolinians, and colonists elsewhere, to know that their state approved such an action, and many never would have approved the Declaration of Independence had the Halifax Resolves

not been adopted.

The last paragraph of the Halifax Resolves reads: "Resolved that the delegates for this Colony in the Continental Congress be empowered to concur with the delegates of the other Colonies in declaring Independence, and forming foreign Alliances, reserving to this Colony the Sole, and Exclusive right of forming a Constitution and Laws for this Colony, and of appointing delegates from time to time (under the direction of a general Representation thereof) to meet the delegates of the other Colonies for such purposes as shall be hereafter pointed out."

The Declaration of Independence was not written in a top-down approach by national leaders who had an idea, expressed it, and expected state leaders to fall in line. It was an approach that came from the bottom up — from the colonies, from the states.

First, there was the Halifax Resolves. Then there was the Declaration of Independence. CJ

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

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## Short Takes on Culture

**Don't Rush to Limbaugh Bio**

• *Rush Limbaugh: An Army of One*  
By Zev Chafets  
Sentinel

**S**o you want to learn about America's talk radio legend? *Rush Limbaugh: An Army of One* by columnist Zev Chafets is a good place to start.

And by start, I mean just that. The book is restricted in its scope. It remains, as David Frum writes in *The Washington Post*, primarily a profile. Understood in that light, it's not drab.

But faithful followers of the political scene hoping to learn new details about Limbaugh will be disappointed. It's more a play-by-play recounting of El Rushbo's career, with scant new detail.

The biggest exceptions are the parts dealing with Limbaugh's personal life. Here is a window, grimy though it may be, into what makes the doctor of democracy tick.

It's not always pleasant. In some cases — Rush has been divorced three times with no kids — it's downright sad.

The opulence of Rush's material wealth is striking. He owns "a garage full" of fully loaded black Maybach 57 S coupes, which run in the half-million-dollar range each, and a Gulfstream G550, dubbed EIB One, for \$56 million.

"There are five houses on Limbaugh's ocean-front estate in north Palm Beach," Chafets writes. "He lives in the largest, a twenty-four-thousand-square-foot mansion that he renovated and decorated; the other houses are for guests."

Fresh Limbaugh fans or hopeless political junkies should read the book. All others would do better elsewhere.

— DAVID N. BASS

• N.C. Museum of Art  
www.ncartmuseum.org

As a former volunteer at the North Carolina Museum of Art, I was anxious to visit the new building. Volunteering in the mid-1980s, many considered the then new museum's stone building too modern-looking. I wonder what they think about the newest building.

Designed by architect Thomas Phifer of New York, the building looks like a warehouse or a science building where experiments are conducted. One visitor described it as uninviting.

But do not be fooled by the stark white exterior. The soft filtered light from the windows and skylights al-

lowed me to see colors and details of my favorite works that I never noticed before.

The Rodin exhibit and garden are exquisite, but the much lauded Jaume Plensa, *Doors of Jerusalem I, II, and III*, is an unfortunate choice to greet visitors entering the museum. Just listening to visitor comments and giggles confirms that most visitors agree that piece is uninspiring and weird.

The Judaic exhibit is disappointing. Stuffed in a corner, many pieces in the collection are not displayed, and the white walls cannot compare with the reverential lighting in the old building.

Visiting the museum is worth the time, and it's free — sort of. State taxpayers provided \$4.7 million of the \$11 million 2008-09 operating budget and the majority of funding for the new building. There is also a charge for some special exhibitions and programs.

— MELISSA MITCHELL

• *Pointed Poems*  
By Craig Wieland  
Pointed Poems Publishing

*Pointed Poems* by Craig Wieland is a book of 31 poems intended "to teach conservative values to your children and grandchildren." Each chapter demonstrates a lesson, from taxes to national security, complete with discussion topics at the end.

Perhaps I've been spoiled by a liberal arts education, but I never found the simple rhyming scheme compelling. Nor were the depiction of liberals as disfigured monsters respectful or tasteful.

The book's economic arguments were remarkably conflicted. Wieland elatedly points out how global trade provides us with a bounty of goods, yet complains in another chapter about how importing goods creates a harmful dependence on foreign nations. The author neatly sidesteps how this dependency creates peace, not conflict. This is a good example of the blind repetition of party mantras that echo in every line.

While there are some very good points in *Pointed Poems*, it doesn't educate as much as it indoctrinates. There's a fine line between the two, and the inconsistent arguments and outright mean caricatures place the book squarely in the former category.

— IAN DAVIS CJ

## Book review

**Sowell Exposes Elite Pretensions**

• Thomas Sowell, *Intellectuals and Society*, New York: Basic Books, 416 pages, 2010, \$29.95.

BY IAN DAVIS  
Editorial Intern

RALEIGH

**I**n *Intellectuals and Society*, Thomas Sowell explains the relationship between ideas, those who create them, those who sell them, and those who use them. He summarizes the conflicts of ideologies that dominate the headlines. Instead of generating honest conflicts, Sowell says, the prevailing viewpoint articulated by the idea brokers — what he calls "the vision of the anointed" — is insulated from any criticism.

Sowell initially described the vision of the anointed in a 1996 book with that title. In it, he argued that, for many contemporary liberals, "The relationship between theory and evidence [is] simply not discussed." If a highfalutin theory does not work in practice, its proponents often suffer no loss of reputation among those who popularize their disastrous work. Mistakes are repeated if not compounded.

To Sowell, intellectuals are those who create new ideas, as opposed to the intelligentsia, who merely broker them. True intellectuals are few and far between. It's members of the intelligentsia who filter the information and shape the debate of issues, propping up their arguments and hiding their downfalls.

In such fields as science and engineering, ideas and theories can be tested. If a bridge does not hold, or a waveform is not observed, the theory is corrected or abandoned. However, theories of the intelligentsia seemingly are immune from empirical evidence. For example, the minimum wage has been shown, through decades of research, to decrease available jobs for the poor, contrary to its intentions.

Sowell's chronicles of the war against poverty show just how those who have led us into disaster still are regaled. When Lyndon Johnson first mobilized federal funds against poverty, the rate of people escaping this lower income bracket was increasing. Yet after more than a half-century of throwing billions of dollars at the situation, dependency on federal aid actu-

ally has made the plight of the poor worse. This has created a welfare crisis, which the government must "solve" yet again.

Even intellectuals who fail spectacularly are held accountable rarely for their errors.

The best example was Paul Ehrlich, author of the popular 1968 book *The Population Bomb*. Ehrlich predicted that population growth would create massive starvation in the 1970s and '80s, a crisis that never materialized.

Instead, actors in the marketplace innovated and created more efficient ways to use resources, leading to greater abundance even as the population rose. Yet people continue to parrot Ehrlich's fear. In fact, Ehrlich stands behind his book to this day, ignoring that his apocalyptic predictions failed.

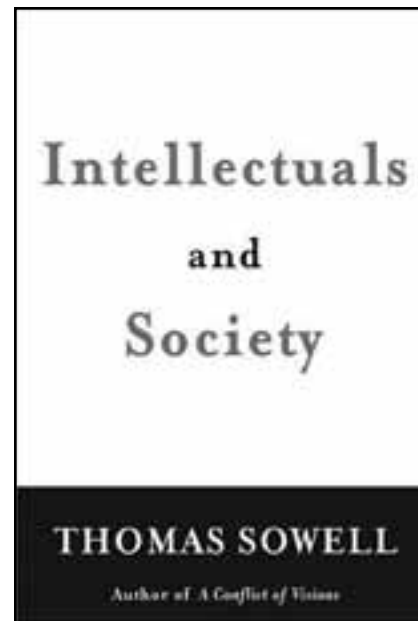
The economist F. A. Hayek influences Sowell's view of knowledge heavily. Knowledge is not concentrated in a caste of "experts," but is distributed among the general population. What we might consider "knowledgeable" often is far removed from the issues the current intelligentsia find important.

Sowell also makes a distinction between knowledge and wisdom. We might not consider a blue-collar worker as knowledgeable as an academic, but the wisdom the line worker possesses might actually be useful to the public at large.

*Intellectuals and Society* serves as a handbook for understanding current events. Using mainstream media and top-shelf journals, Sowell cites examples showing how biased mind-sets can pollute research and poison public discussion.

Experts should be considered knowledgeable only in the areas of their expertise, he says, and they should be criticized when their ideas fail.

Sowell's clear language allows even the layman to see how crusted layers of bureaucracy and regulation limit our freedom and exacerbate the problems the bureaucrats claim to solve. He offers more than just a "government is bad" message, presenting one case study after another of the failure of intellectuals to shape the world to their vision. CJ



# Goyette: Pro-Regulation Arguments Luring Economy to the Rocks

• Charles Goyette, *The Dollar Meltdown*, New York: Portfolio Hardcover, 2009, 240 pages, \$27.95.

By GEORGE LEEF  
Contributor

RALEIGH

Imagine an ice cube on an asphalt roadway in the heat of summer, quickly melting away to nothing. That's a good way of thinking about what government policy has been doing to the value of our money. In his book *The Dollar Meltdown*, investment adviser and former radio talk show host Charles Goyette explains why the dollar is melting away and offers sound advice for people who would rather that their wealth avoid the fate of that ice cube.

Goyette begins with the point that the federal government has been going through money like a drunken sailor for decades, but the last 10 years simply have been devastating. In 2004, Congress had to raise the government's debt ceiling to over \$8 trillion. The increase in federal debt just in the first three years of the Bush II presidency was 2½ times as great as the total debt the government had accumulated from 1776 to 1980. Gold, which Goyette calls the canary in the coal mine, rose to \$442 per ounce from that increase. Of course, the politicians could not restrain their appetite for spending, and in 2006 Congress once again had to raise the debt ceiling (not much of a ceiling!) to \$9 trillion. Gold had risen to \$554 by then.

That was not mere coincidence. Gold's price is a referendum on the expected trend of fiat money — the dollar. Gold has surged to over \$1,200 lately, indicating that confidence in the value of the dollar keeps falling.

Goyette shows that there are

good reasons why people are losing confidence. When the stock market plunged and financial markets hit the panic button in September 2008, Bush asked his advisers, "How did we get here?" Goyette provides an explanation that even an airhead politician should be able to understand.

Our political and media elites, confused and desperate over the economic debacle, advanced the notion that the culprit was "deregulation." Goyette gives that self-serving falsehood the back of his hand, showing that the problem was rooted in massive government intervention in the economy, with meddling in the housing market most prominent. He has a great talent for colorful analogies, and writes, "Like pirates whose fake lighthouses drew hapless ships to plunder, political pirates distort otherwise self-regulating economic activity with laws and regulations aimed at winning favor among specific beneficiaries."

Politicians — and Goyette correctly holds both major parties to be

equally guilty — make off with the booty of campaign support, special interest groups enjoy the subsidies and other favors bestowed by the politicians, and the rest of us suffer the harm.

Bad as the "official" federal debt is, Goyette informs the reader that the situation actually is much worse. In order to fund all of its spending commitments, the government would need to set aside more than \$99 trillion

to cover just the anticipated funding shortfall — that is, over and above the current taxes (including Social Security "contributions") the government collects. Paying for all the megastate's promises is, Goyette accurately says, "insurmountable."

But of course the politicians will try, and the time-honored method for governments to pay excessive debts is through inflation.

Goyette knows his monetary history and observes that monarchs have resorted to monetary debasement, such as making coins from cheap metals and printing up vast amounts of

irredeemable paper money, for more than 2,000 years.

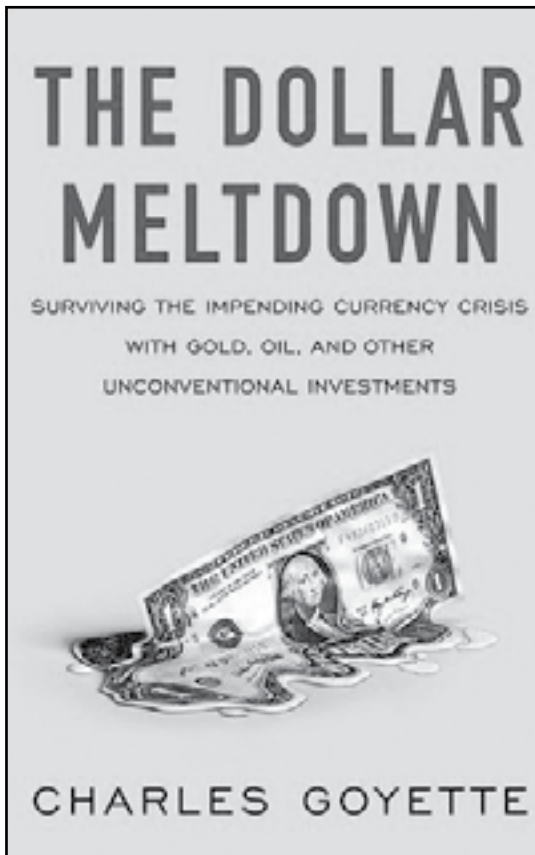
Inflation, he instructs the reader, means that the supply of money gets inflated, leading to prices that rise generally. Knaveish government officials may say that the causes of inflation are mysterious — Goyette quotes some astounding nonsense spoken by one of Jimmy Carter's top economists on how inflation is somehow "society's" fault — but misleading ordinary people while looting their wealth is one of the things governments are best at.

Another excellent feature of *The Dollar Meltdown* is the way it disabuses readers of the foolish notion that the government does all its spending and inflating for the good of the people.


Consider this sentence: "Ultimately the survival of the government and the governing classes (at least in the reckoning of those in charge) trumps the resilience of the economy and the well-being of the people." Devastatingly accurate. The state's depredations against us will continue as long as most citizens continue believing that the state acts to serve them. Goyette tells them that it's a gigantic lie, and it doesn't matter which political party is in charge.

If you want a good, easy-to-read explanation of gold, fractional-reserve banking, the Federal Reserve, and the nasty side effects of the politicization of money, this book is excellent. And if you already understand all of that and desire good advice on how to protect your wealth when the government means to expropriate people to the fullest, it provides that, too. *CJ*


George Leef ([georgeleef@aol.com](mailto:georgeleef@aol.com)) is book review editor of *The Freeman*.



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## COMMENTARY

## Listen While You Work

Is your CEO a glorified delivery girl or delivery boy? It could be, and if that's so, it almost certainly is having a negative effect on your organization.

I say this despite the fact that even companies that look like very successful operations — with products and output of consistently high quality — often manage to reduce their potential impact significantly through poor communications management. The negative effect is unintentional, but the cause is plain enough. You'll know whether you have a leader or a delivery person in charge by looking at how data and information are treated in your organization.

Truly effective leaders are self-aware. They understand the difference between information and communication. They practice listening. They take advantage of all the collected wisdom and knowledge of their organization members. And they maximize their organization's impact.

But effective communication is work, and there is a temptation to rely on data, and other one-way information flows from the top, to "do the talking" for everyone in the organization.

Sometimes this is appropriate. Formal presentations for a school or a corporate board are good examples of appropriate one-way delivery situations. But if one-way information delivery is a consistent management style, little or no real communication is going on, as the following example/problem illustrates.

This illustration is based loosely on a real case. The organization cited has a highly professional staff. Each person takes great pride in his work. Individual output is coordinated, but allows a good deal of autonomy as well. And external customers are supportive and enthusiastic about the product.

In addition, the employees justifiably are proud of the organization's overall reputation. But this system is in trouble. Despite so much that's gone right, there is a lot of dissatisfaction within the organization from employees and staff. Worse, there are difficult changes

and decisions ahead. Customer and employee surveys give a general picture of what's gone wrong:

Item one is a lack of real communication in this organization. Although the top administrator consistently pushes out great quantities of information to staff and to the public, they perceive her as unresponsive to their views. The desire for better communication, collaboration, and cooperation across the agency and from the hierarchy is an oft-repeated theme from staff. Employees have come to see the executive as distant, unconcerned, and unavailable.



**KAREN PALASEK**

The person in charge of this organization sincerely believes that she is a good, maybe even great, communicator. She writes weekly columns for several local newspapers on topics of vital interest to the community. Newsletters from her office and from the different divisions in her organization go out regularly and frequently. Her office supports forums and debates on current issues. She constantly is busy issuing information, and wants staff and the public to have ample opportunity to hear from her and learn what's on her mind.

As an executive and a respected authority figure, she regularly is sought by the media to comment on current issues, particularly ones that involve controversy or upcoming policy decisions.

As you've probably guessed, this administrator is engaged, but not in listening. She's missing out on the wealth of knowledge, experience, and wisdom already at hand in her organization. She has been pouring data and information, regularly and in good faith, on constituents and employees. But by doing so she unwittingly has diminished her role from leader to delivery girl. Reversing that role lies in the art of listening.

Though the actual case is based on a U. S. school system, it also could apply to many companies, agencies, and other kinds of organizations. CJ

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

WALSH



## EDITORIAL

## The Race Was Fixed

When North Carolina lost in the first round of grants from the Obama administration's \$4.35 billion Race to the Top education initiative, state policymakers did little to embrace the reforms Washington suggested would provide a better chance to win funding the second time around.

Indeed, the local officials shepherding the state's application through Washington suggested they could sit on their hands and still collect the cash. State Board of Education Chairman Bill Harrison said in December, "When I first saw the [Race to the Top] guidelines, I thought they were crafted for North Carolina."

Harrison may be psychic. Despite a legislative session that enacted no significant school reforms, on Aug. 24 North Carolina entered the winners' circle. The Tar Heel State ranked ninth among the 10 states receiving funds, getting \$400 million over four years. North Carolina's overall tally — 441.6 of a potential 500 points — landed us 0.8 points ahead of 10th-place Ohio and 3.8 points above No. 11 New Jersey.

Race to the Top was touted as a program rewarding states that aggressively intervened to fix failing schools. Instead, it's looking more and more like a program valuing conformity over innovation, and hidebound interest groups over reformers.

For example, Race to the Top awarded points to states receiving endorsements from those champions of reform, teacher unions — up to 25 of the 500 points awarded collaboration among "stakeholders" — lawmakers, bureaucrats, businesspeople, PTA groups and, you guessed it, unions. States also got credit for dumping

their own accountability standards and adopting federal guidelines, even if Washington's benchmarks were less stringent and neglected content relevant to local students (think history and civics).

The biggest howler, though, was the scoring for the state's charter school policies. Remember, we were less than 3.8 points away from losing the race. With a lousy score on the 40-point section covering charter schools, North Carolina would have finished out of the money.

Even so, the reviewers gave us a stellar — and undeserved — perfect score of eight points in the category "equitably funding charter schools." Reviewers unanimously lauded the statute requiring charter schools to get equal funding from the state and school districts.

That may be what the law says. But some districts have not provided that funding, and, as Jim Stegall reported in last month's *Carolina Journal*, lawmakers and state school officials have advised districts to hang onto money charters are entitled to receive.

Charter operators have been forced to sue the districts to get equal funding — and they've won, with regularity. But districts continue to withhold money, and Raleigh educators continue to abet the lawbreaking.

The danger — no, the likelihood — is that members of the state's education establishment will view victory in Race to the Top as an affirmation that the status quo is working.

It isn't, as thousands of students, parents, and teachers can confirm. As policymakers grow complacent, kids suffer.

And that's a loss for everyone. CJ



EDITORIALS

# Financing Health Care

*Even Europe does it better than the U.S.*

Americans would benefit if our system for financing health care were more like that of Europe, Japan, or other developed countries.

That is, we'd be better off if we paid out of our own pockets for more of the medical services we consume.

While the U.S. system of health-care finance is caricatured by the Left as some kind of cash-on-the-barrelhead dystopia, the reality is that American households pay a lower percentage of their medical expenses out of pocket than do households in all but a handful of other industrialized countries.

Recent data from the Organization for Economic Cooperation and Development reveal that America's out-of-pocket share was 13 percent. The OECD average was 16 percent, and some countries have much higher shares: 18 percent in Australia, 20 percent in Italy, 21 percent in Belgium, and more than 30 percent in Switzerland. Also, one of the Left's favorite systems, the single-payer program in Canada, requires higher cost-sharing by households than is typical in the U.S.

In the fantasyland of some liberal activists, American health care costs too much because of greedy insurers reaping massive profits. This is impossible mathematically, as insurer

profit margins average about 4 percent and make up only a tiny share of total health expenditures.

In reality, health care costs have been soaring in the U.S. and most other countries for several reasons, including:

- Medical care has actually gotten more valuable over time as new medications and procedures have come on the market;

- As economies mature, households are able to spend smaller shares of their income on such necessities as food and clothing, allowing them to transfer resources to life-enhancing services such as education and health care; and

- Patients lack both the information and the incentives to consume medical services wisely.

The first two drivers of medical inflation aren't really problems and couldn't be "solved" even if they were without onerous government rationing programs. The third driver can be addressed, however, by reforms that reduce the taxes, subsidies, and regulations limiting competition and promoting over insurance.

No country has stumbled on the magic formula. But some have made more progress than others. And we've got to ask a basic question at this point: If Belgium can do it, why can't we? *CJ*

# Privatization

*Local governments could benefit from it*

Gov. Bev Perdue made two interesting statements while signing some 2010 legislation into law.

After affixing her signature to the General Assembly's latest, ill-advised attempt to prohibit video gambling, the governor indicated that she might rethink the idea of legalizing it during a future legislative session.

And after signing a bill promising to clean up corruption around North Carolina's system of government-owned liquor stores, Perdue said that she was willing to consider the next step: privatizing all or part of the ABC system.

Some proposals for legalizing video gambling assume that the state would impose heavy taxes and intrusive regulations on private casinos — and perhaps even that the state lottery commission would run them. Yikes!

But some counties and municipalities would welcome viable, taxpaying businesses on real estate

that would otherwise stay vacant, run down, and a net cost to the jurisdiction. Video gambling enterprises ought to pay the same state and local taxes as other businesses do, which may itself help some wobbly governments get through another recessionary year.

Far more interesting would be the prospect of privatizing North Carolina's liquor stores. Based on the experience of other states, it is likely that proceeds from a sale would be in the hundreds of millions of dollars.

It is possible that the inventory, stores, and real estate could be worth even more. We'll never know unless we take bids in the marketplace.

North Carolina state and local governments have a large structural deficit.

Any organization facing the kind of chronic deficits North Carolina state government faces should be searching its balance sheet for low-performing assets to sell. *CJ*

COMMENTARY

# Why Shouldn't I Believe Them?

I believe them. Why shouldn't I?

I believe Raleigh attorney John Wallace and other representatives of Beverly Perdue's political team when they say there was no intent to mislead voters or evade state law by failing to report dozens of free flights Perdue took during her 2004 and 2008 campaigns.

The Democratic majority on North Carolina's State Board of Elections also believes Perdue's political team, which is why the board chose to impose the maximum \$30,000 fine for late campaign reporting and end its probe of the matter — rather than holding hearings, putting Perdue's aides under oath, and investigating whether costlier punishments were warranted for intentional evasion of campaign-finance laws.

I believe Wallace's explanation that the reason the Perdue team had failed to report the 42 flights was sloppy recordkeeping. I believe this explanation despite the fact that, as the initial inquiry by Board of Elections investigator Kim Strach revealed, the Perdue campaign kept meticulous records of her travels.

I believe Wallace's claim that Perdue aides failed to communicate with one another about flight reimbursement. I believe this claim despite copious evidence, some of it in correspondence dating to the fall of 2008, that Perdue aides had extensive internal communication about flight reimbursement.

I believe Wallace's assertion that in the fall of 2008, the campaign did not know Buzzy Stubbs, a New Bern attorney, had paid for nearly \$30,000 in campaign flights. I believe Wallace even though he was legal counsel to the Perdue campaign at the time and clearly had personal knowledge of Stubbs' unpaid bill, which amounted to a large, illegal campaign contribution.

The timing requires some explanation. On Oct. 20, 2008, *Carolina Journal* reported that then-Gov. Mike Easley had received free flights from political supporters during his 2000 and 2004 campaigns. The flights had not been reported and amounted to campaign contributions from corporations (which are illegal) and/or

contributions above the legal limit for individual donations. Within hours, Wallace — who also had acted as legal counsel for the Easley campaign — was fielding calls from other reporters.

The story spread through the political world. Stubbs obviously was affected by it. On Oct. 23, 2008, he sent a letter to the Perdue campaign explaining that he personally

had reimbursed his law firm \$28,000 for flights on aircraft the law firm had chartered. He then apparently tried to make that donation an in-kind contribution to the state Democratic Party.

Wallace responded to the letter the next day — but not as counsel to Easley or Perdue. This time, he acted as counsel to the state Democratic

Party, informing Stubbs that the party could not accept his in-kind contribution.

That was the end of any timely attempts to fix the problem. The flights Stubbs paid for weren't reimbursed by the Perdue campaign until May 2009. Wallace later told Strach that the Perdue campaign didn't reimburse Stubbs for the flights in 2008 because it didn't know he had paid for them.

I believe Wallace. Why shouldn't I?

As for the chairman and executive director of the state board of elections, Larry Leake and Gary Bartlett respectively, I believe them when they deny any attempt to cover all this up by limiting whom Strach could interview, how she could conduct her interviews, and excluding these limitations in her initial report.

I believe them when they say the decision not to launch a broader investigation was based solely on their assumption that there was no conspiracy to evade the law, not on their desire to protect a sitting governor from further political damage.

I believe the matter is now settled. Thank goodness, because I need to hurry home and put a tooth under my pillow for the Tooth Fairy. *CJ*



JOHN HOOD

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

## EDITORIAL BRIEFS

## Foreign-born Workers

A new report by the Congressional Budget Office titled *The Role of Immigrants in the U.S. Labor Market: An Update* summarizes the latest information available on the number of foreign-born workers and their impact on the U.S. labor force.

In 2009, 24 million U.S. workers were born in a foreign country, or 15.5 percent of the labor force. The CBO report utilizes monthly Census Bureau survey data to calculate the unemployment rate. Foreign-born workers include those in the country legally and illegally.

The share of foreign-born workers has grown over time, from 10.0 percent of the total labor force in 1994 to 14.5 percent in 2004 to 15.5 percent in 2009. About half of all foreign-born workers in the U.S. in 2009 entered the country before 1994.

"To a considerable extent, educational attainment determines the role of foreign-born workers in the labor market," the report notes.

In 2009, 40 percent of foreign-born workers came from Mexico and Central America. Over half of these workers lacked a high school diploma or GED credential. On average, female Mexican and Central American immigrants earn about 60 percent of what the typical native-born woman makes; for men, the figure is just over half.

Foreign-born workers from places other than Mexico and Central America have similar levels of education and average weekly earnings as native-born workers.

## Federal budget estimates optimistic

Early this year, the CBO projected that the net national debt would reach 90 percent of gross domestic product in 2020. As frightening as that estimate may be, it also is incomplete and optimistic, says David Ranson, president and director of research of H.C. Wainwright & Co. Economics, writing for the National Center for Policy Analysis.

The CBO projection ignores the budget impacts of Obamacare and the unfunded liability of social insurance programs. It assumes that the Bush tax cuts will expire.

It also includes a faulty assumption on taxes. Citing six decades of data, Ranson concludes, "Increases in federal tax rates, particularly marginal rate increases targeted at higher income taxpayers, produce no additional revenue."

Ranson argues that the ceiling on federal tax receipts is about 19 percent of GDP and is sustainable only when the economy is at full employment. In the current recession, 18.3 percent of GDP may be more realistic. The CBO, however, projects federal tax receipts reaching 18.3 percent of GDP by 2013 and 19.6 percent of GDP in 2020.

"For budget planning, it is wiser and safer to assume that tax receipts will remain at a historically realistic ratio to GDP no matter how tax rates are manipulated," says Ranson. "[C]urrent projections of federal revenue are, once again, unrealistically high." CJ



## Plan B for the Jobless

There are almost 15 million unemployed workers in the country, double the number since the recession began in late 2007. There are more than 450,000 unemployed workers in North Carolina, also twice the number since the start of the recession. A big question is how should these unemployed workers be helped?

When I was a youngster in the 1950s, my father — who worked as a carpenter in the construction industry — would periodically be unemployed. His stretches of joblessness would generally last a week or two — normally no more than a month — and his unemployment was often related to bad weather. In the Midwest, where I grew up, snow storms in the winter and heavy rain in the spring would bring construction to a halt for short periods of time.

During his weeks of idleness my father would collect unemployment benefits. The money wasn't lavish, but it was enough to get my family through the lean times until the weather cleared and he could go back to work.

Unemployment benefits — also called unemployment compensation — are still the main way we help the unemployed today. Begun in the 1930s, the system was established as a type of insurance program where employers (but implicitly, employees) contributed to a central fund. The fund was used to pay those unlucky enough to become unemployed.

This system works well as long as two conditions are present — the periods of unemployment are short and temporary, and there's relative stability in the economy in terms of the types of skills and occupations needed from the work force.

But this is exactly why some economists say the current unemployment compensation system isn't working today. Several factors — among them technological advances and international outsourcing — have combined to reshape businesses' labor needs during the last three decades. Many office, administrative, and sales jobs have been replaced

by technology (mainly computers), and factory jobs and even skilled crafts occupations have seen their numbers decline as a result of foreign competitors and modern machinery and equipment.

Consequently, unemployment is becoming chronic, rather than temporary, for an increasing number of workers. Today, almost half of the unemployed workers have been without a job for six months or more. This has strained the unemployment compensation systems of many states and caused the federal government to kick in money to extend the number of weeks that unemployed workers can collect benefits.

Critics say this is just putting a bandage on the situation, and what is needed is real surgery. They say now is the time to change dramatically how unemployed workers are helped, while at the same time improving the match between the skills of the unemployed and the skills needed by employers.

How could this be accomplished? We could convert the system of weekly unemployment checks to one that pays a large up-front check to workers when they're first unemployed. This lump sum could be in the thousands, or perhaps, tens of thousands of dollars. The unemployed worker would be required to use the funds for living expenses, but — in addition — for skill retraining or relocation to regions where jobs are more plentiful.

In this way the unemployment compensation system would motivate jobless workers to arm themselves with the training needed by today's businesses and also to move to where the jobs are located, thereby — hopefully — reducing the unemployment rate faster than under the current system.

Of course, this won't work for everyone, raising the question of what to do for people who spend their lump-sum unemployment checks and still can't find work. There's also the practical need for the government to come up with a large amount of money at a single point in time, rather than spreading those payments over several weeks.

But the current system appears to be out-of-date given the new realities of the labor market. Maybe it's time to go to "plan B." CJ

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



MICHAEL WALDEN

# Obama Unpredictable So Far

Nineteen months into his administration, it makes sense to take stock of the job President Obama has done. Probably the fairest yardstick by which to evaluate presidential achievement is to judge action against promises.



ANDY TAYLOR

Has the president delivered on the pledges he made during the campaign? To be sure, the administration is still working on many issues Obama discussed in 2008. But I think a preliminary analysis is now appropriate.

On the little things, the line items and policy nuggets wonks love, the record is quite good. According to those who track Obama's performance closely — for instance, *Politifact*, *The Washington Post*, and *National Journal* through its "Promise Audit" — the president has kept about five times more promises than he has broken. He also has begun work on a lengthy list of additional obligations.

But most of this is low-hanging fruit, the small and easy items enacted unilaterally, by executive order or White House directive. On a lot of the important things the president has been less faithful. Obama persuaded Congress to pass a massive \$800 bil-

lion stimulus bill and historic and wide-sweeping health care and financial regulatory reform. It is interesting, however, that many of the important details did not pass his lips before the election. In this, the president did not really break promises. He just did not warn us what was to come.

When he discussed "change" in 2008, Obama was talking about politics as much as policy. The goal was to bring about a new kind of Washington — one that was accessible, transparent, responsive, and devoid of partisanship. It is clear this has not happened.

Incremental improvements have been made. Obama has banned executive branch employees from accepting gifts from lobbyists, and he has leaned on Congress to reduce earmarking — the practice of directing federal funds to a member's district rather than subjecting funding to bidding and other merit-based evaluation — dramatically.

There is much to do, however. The executive branch hardly is more transparent, even though the president essentially agreed to put its entire inner workings — contractor databases, bill text, agency meetings with lobbyists, and the minutiae of federal spending — on the Web. It also is as powerful. The complicated health care and financial regulation laws allow a great deal of future policy on these issues to be written within obscure and opaque agencies.

The broad contours of American politics remain the same. Obama came to the White House promising a post-partisan era in which national interest transcended party interest and individuals from both sides of the aisle would come together to solve the country's tough problems in pragmatic fashion. This clearly has not happened.

With the possible exception of education policy, this has been a conventional left-of-center regime. Robert Gates was kept on at Defense and another Republican, Ray LaHood from Obama's home state of Illinois, was made Transportation secretary.

But party polarization in the nation's capital is as great as ever — you can count the number of Republicans who voted for the stimulus, health care, and financial regulatory reform on the fingers of one hand. Partisanship was intense before Obama was even an Illinois state senator, but suggesting he miraculously could heal Washington's ills was outright disingenuous.

Another big theme of the Obama campaign was that he would reduce the size of government — on the campaign trail he repeatedly promised to cut the deficit. This was either a prevarication (lie is such an ugly word), or Obama badly misjudged the depth of the recession.

It might have been the former; indeed the promise-trackers largely

agree Obama's campaign pledges meant about an additional \$240 billion of discretionary spending in his first year. On "Meet the Press" in July, Treasury Secretary Tim Geithner was still arguing current spending constituted a smaller proportion of GDP than that of the Bush years.

Obama displayed worrying naivete if he thought he could spend and cut the deficit in this economy. He also could have chosen different policies than the poorly designed ones settled on by his staff and the congressional Democratic leadership.

Although Obama fortuitously enjoys the luxury of extraordinarily low interest rates, his approach has not generated economic growth because businesses face an uncertain and unfriendly regulatory environment, the effects of the stimulus were projected too far out into the future, and investors are losing sleep over the country's fiscal health.

The first 40 percent of the Obama administration has been quite unpredictable. Still, at least the president makes life interesting. Who knows what the future debates over tax cuts, immigration, and environmental policy will bring. CJ

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

## Five Reasons to Care About November

This year's elections for the North Carolina General Assembly will have a huge effect on state government — everything from the kind of leaders we have, to how wisely our money is spent, to how much control government has over our lives.

Here are five reasons you should pay attention:

**1. A century of one-party rule.** The Democratic Party has controlled the Senate for more than 120 consecutive years, and — except for four years in the mid-1990s — Democrats have controlled the House of Representatives over that same period. The current leaders have been in state government for decades: Senate President Pro Tem Marc Basnight has served in that body for 26 years; Speaker Joe Hackney has been in the House for 30 years; Gov.



BECKI GRAY

Bev Perdue started her 23 years of government service in the House, then as the Senate's chief budget writer before presiding over the Senate for eight years as lieutenant governor. These folks understand how to make the system work to their advantage because, well, they wrote the rules.

**2. Federal stimulus spending.** We were told that the \$800 billion federal stimulus package would build and repair infrastructure, create jobs, and get the economy going again. Instead, North Carolina has used stimulus money to expand social programs, bail out the state budget, and spend on the ridiculous. Stimulus money has paid to study monkeys high on cocaine, determine whether yoga reduces hot flashes in menopausal women, and see how elderly people might benefit from playing video games. This might be amusing if it weren't our money.

**3. Corporate welfare.** This year's budget spent \$350 million for tax breaks to corporations and million-dollar movie stars. In Lee County, Cat-erpillar recently raked in \$16.8 million

in state money and another \$900,000 in local taxes. Meanwhile, small businesses are given short shrift. We need to stop bailing out select companies. Every business should have an equal opportunity to grow and prosper.

**4. Corrupt politicians and government agencies.** Former Speaker of the House Jim Black, former Agriculture Commissioner Meg Scott Phipps, and former House member Thomas Wright have served time in jail for illegal activities. Ruffin Poole, an aide to former Gov. Mike Easley, pled guilty to income tax evasion and awaits sentencing. Easley is under a federal grand jury investigation, and the State Board of Elections just fined Gov. Bev Perdue for unreported campaign flights. The N.C. Highway Patrol has been under fire because troopers can't behave. The SBI botched hundreds of investigations, likely putting some innocent people in jail and allowing some guilty ones to run free. These folks broke laws already on the books, and the General Assembly keeps passing more ethics laws. The real answer lies in open government and greater

transparency. As the late Supreme Court Justice Louis Brandeis stated, "Sunlight is the best disinfectant."

**5. Nanny state.** Some believe that government knows how to live our lives better than we do. The General Assembly recently passed regulations against juice boxes, whole milk, chocolate milk, and sodas in day care centers. They want to control our water, our health care, and our energy sources, no matter how much it costs us.

An election is an opportunity to change the direction of state government. We need to think about what the government can do and what it can't; what it should do and what it shouldn't.

Those are my first five reasons for changing government this fall. I'll have my second five in next month's *Carolina Journal*.

If you have thoughts, drop me a line. CJ

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

# Griffith to Get Larger Role Boosting Obama Agenda (a CJ parody)

By E.T. Bass  
Entertainment Correspondent

**T**he Obama administration will expand its relationship with Hollywood icon and North Carolina native Andy Griffith. Griffith, a long-time supporter of Democratic Party candidates and causes, will film a series of commercials promoting President Obama's top policy initiatives.

The star of "The Andy Griffith Show" and "Matlock" recorded a public service announcement earlier this year touting features of the recently passed health care law to Medicare recipients. The new advertisements will use live shots of Griffith edited with computer-generated imagery of characters from his classic 1960s TV series to sell the president's agenda.

"Americans have been the target of a major misinformation campaign that was designed to scare and confuse them about the real impact of our policies," writes Stephanie Cutter, an assistant to Obama, about the new ad campaign. "We're convinced that Sheriff Taylor, er, Mr. Griffith will be an effective spokesperson for the president's agenda for middle-class Americans."

Imagine Entertainment, the production company founded by director Ron Howard (who played Opie Taylor on "The Andy Griffith Show"), will produce the commercials at the Screen Gems soundstages in Wilmington where episodes of "Matlock" were filmed.

In mid-August, CBS News reporter Mark Knol-

HOLLYWOOD



Andy Griffith in one of many upcoming ads he has made for President Obama. (CJ spoof photo)

ler listed a host of issues Obama had named "top priorities." These agenda items will become the themes of separate ads, said Frank Bavier, a White House liaison to Howard's company.

"We'll have Andy and Barney [Fife, played by Don Knotts] instructing the residents of Mayberry on the importance of hurricane preparedness," Bavier said. "Barney will make a bus trip to New York City and learn about the health care challenges facing 9/11 first responders. Goober's scheme to dump used motor oil in the crick will offer an opportunity

to talk about environmental protection. And there'll be a moving commercial on ending homelessness among veterans that'll feature Gomer Pyle's return from Vietnam. It'll tug at your heartstrings."

Several issues on the agenda may pose challenges for the production team. "We're not exactly sure why the people of Mayberry would appreciate free trade agreements, since the handful who have cars drive Chevys, and few of them own TVs," Bavier noted. "Still, we've heard that Ron has a clever way to have Floyd the barber give flu shots. And in the commercial pitching consumer protection, Otis Campbell [the town drunk] will suffer alcohol poisoning from some bad moonshine, showing that you should buy booze only from properly taxed and regulated outlets."

Filming the ads in North Carolina also will qualify Howard's company for the expanded tax credit for movie productions passed during the General Assembly's short session.

"Because we're working so heavily with our own computer graphics people, we're probably going to hire no more than a handful of local people," Bavier said. "Still, if we can save a few hundred thousand or so on taxes, who's to say no?"

Obama spokeswoman Cutter says Griffith has not ruled out reviving one of his earliest routines if the president's poll numbers continue falling.

"If unemployment jumps back above 10 percent," she said, "I've heard Ron and Mr. Griffith have roughed out a 21st-century update of 'What it Was Was Football.'" *CJ*

## E.A. MORRIS

### FELLOWSHIP FOR EMERGING LEADERS

The E.A. Morris Fellowship is seeking principled, energetic applicants for the 2011 Fellowship class. Applications available online or at the John Locke Foundation. Application deadline is December 31, 2010. Please visit the E.A. Morris Fellowship Web site ([www.EAMorrisFellows.org](http://www.EAMorrisFellows.org)) for more information, including eligibility, program overview and application materials.

#### Eligibility

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

#### Fellowship Dates

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

#### Application Timeline

August 16, 2010: Applications available  
December 31, 2010: Applications due  
January 10, 2011: Notify finalists  
February 5-6, 2011: Selection weekend  
December 24, 2011: Final project due



[www.EAMorrisFellows.org](http://www.EAMorrisFellows.org)  
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