

## Report Calls for Moratorium on Higher-Education Bond Sales

*Moratorium would last  
as long as North Carolina  
faces budget emergency*

By **JON SANDERS**  
Assistant Editor

**A** new report from the Pope Center for Higher Education Policy calls for a moratorium on the sale of the higher-education bonds, approved by North Carolina voters in 2000. It also criticizes the University of North Carolina system for not giving repair and renovation projects top priority and for insisting on more expensive contracting procedures for bond projects.

The report, "The Higher Education Bonds: Hindsight and Foresight," was written by Pope Center Director George C. Leef. He discusses the history of the proposal and examines the bond sales, the status and prioritization of the bond projects, use of contracting preferences, and the feasibility of ending bond sales while the state contends with a billion-dollar budget crisis.

A key finding of the report is that while the University of North Carolina system has begun design or construction on only about half of the repair and renovation projects included in the bond package, full three-quarters of the new construction projects are already in some stage of realization.

The moratorium Leef proposes would last "for a relatively short period," he says. Leef points out that lawmakers originally intended for a moratorium on bond sales if circumstances arose "under which the state would be better off if it slowed or stopped the higher-education building program so as to have more resources at hand for other state purposes."

According to Session Law 2000-3, the legislation that authorized the bond sales subject to popular approval, "If less than the aggregate amount of bonds of notes authorized to be issued in a fiscal year is issued in that fiscal year, the balance for that fiscal year may be issued in any subsequent fiscal year."

Noting the "significant saving" a moratorium would mean for the state, Leef cites the state treasurer's office in calculating that

RALEIGH



*This is an artist's rendering of how Memorial Hall at UNC-Chapel Hill will appear after the building has been refurbished.*

## At UNC, New Construction Still Gets Priority

By **JON SANDERS**  
Assistant Editor

**T**he Pope Center *Inquiry* paper calling for a moratorium on the sale of higher-education bonds finds that bond-related work so far appears to favor new construction over repairs and renovation.

Too much attention to "wish-list" items over necessary repairs was part of what doomed the universities' first attempt at a bond issue, defeated in the legislature in 1999.

The successful bond proposal of 2000 pared down the number of wish-list projects, although it also had its share. For example, the repair and renovation projects in many cases had significant greater cost estimates than those done by the State Construction Office.

A previous Pope Center *Inquiry* paper ("What Are We Paying For?", Aug. 25, 2000), written by George C. Leef, noted this disparity.

One of the projects singled out by Leef was the University of North Carolina at

RALEIGH

Chapel Hill's Memorial Hall, originally built in 1931, with a projected construction date of May 22, 2002.

According to Leef in "What Are We Paying For?":

*The most recent evaluation [of Memorial Hall] by the SCO says that a thorough renovation would cost about \$1.8 million including new seating and flooring, new plumbing, new windows, new heating, ventilating and air conditioning equipment, wall repairs, roof repairs, and safety improvements. In contrast, the bond proposal calls for spending \$9 million on Memorial Hall for renovation and an addition. In dealing with a crisis in our academic infrastructure, borrowing to fix up an auditorium is hard enough to justify, but borrowing an additional \$7.2 million to put on an addition is extremely difficult.*

Memorial Hall needs "a major improvement... if the University is to realize full use of this facility," according to the web page of UNC-CH's Division of Finance and Administration Capital Improvement Program ([www.fpc.unc.edu/CIP](http://www.fpc.unc.edu/CIP)). "The project calls for the demolition of the existing stage house and additions to expand the stage

house and public facilities," the page says. "The expanded stage house will provide a larger stage with wing space and updated stage equipment and lighting, dressing rooms, a loading dock and rehearsal space. This project will address ADA deficiencies, expand patron spaces, provide elevator service, and update all building systems. The building is not currently air-conditioned and a new HVAC system will permit year round use of this facility."

The problem is, however, as Leef asks in his latest research paper, "Are the most pressing needs being tackled first?"

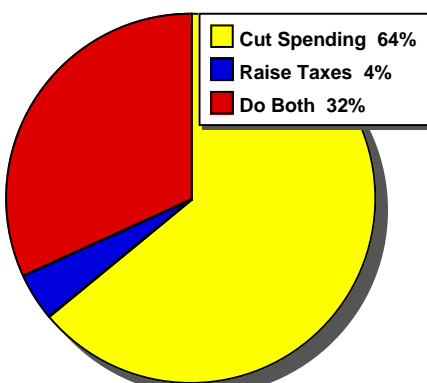
Along with the progress being made on Memorial Hall, Leef notes, the new Carolina Living and Learning Center is under construction.

On the other hand, "There has also been no progress reported on the renovation of Rosenau Hall laboratory (highlighted for its inadequacy in "Building for the New Millennium," [the UNC-TV program on the need for the bonds]) or on the Berryhill Hall

*Continued as "Report," Page 3*

*Continued as "At UNC," Page 3*

### Best Way to Solve Fiscal Crisis



% of NC Business Execs in March 2002 JLF Poll

### Contents

<i>Calendar</i>	2
<i>State Government</i>	3
<i>Education</i>	6
<i>Higher Education</i>	10
<i>Local Government</i>	14
<i>Books &amp; the Arts</i>	18
<i>Opinion</i>	20
<i>Parting Shot</i>	24

The John Locke Foundation  
200 W. Morgan St., # 200  
Raleigh, NC 27601

NONPROFIT ORG.  
U.S. POSTAGE  
PAID  
RALEIGH NC  
PERMIT NO. 1766

# CAROLINA JOURNAL

Richard Wagner  
Editor

Paul Chesser, Michael Lowrey  
Associate Editors

Sherri Joyner, Erik Root,  
Jon Sanders  
Assistant Editors

Thomas Paul De Witt  
Opinion Editor

Andrew Cline, Roy Cordato,  
Charles Davenport, Ian Drake,  
Tom Fetzer, Nat Fullwood,  
John Gizzi, David Hartgen,  
Lindalyn Kakedelis, George Leef,  
Kathryn Parker, Marc Rotterman,  
Jack Sommer, George Stephens,  
John Staddon, Jeff Taylor,  
Michael Walden  
Contributing Editors

Hans Hurd, Rheta Burton,  
Brian Gwyn, Nathan Lintner,  
Thomas Croom  
Editorial Interns

John Hood  
Publisher

Don Carrington  
Associate Publisher

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

Bruce Babcock, Ferrell Blount,  
John Carrington, Hap Chalmers,  
Sandra Fearington, Jim Fulghum,  
William Graham, John Hood,  
Kevin Kennelly, Lee Kindberg,  
Robert Luddy, William Maready,  
J. Arthur Pope, Assad Meymandi,  
Tula Robbins, David Stover,  
Jess Ward, Andy Wells,  
Art Zeidman  
Board of Directors

CAROLINA JOURNAL is a monthly journal of news, analysis, and commentary on state and local government and public policy issues in North Carolina.

©2002 by The John Locke Foundation Inc. All opinions expressed in bylined articles are those of the authors and do not necessarily reflect the views of the editors of Carolina Journal or the staff and board of the Locke Foundation.

Material published in Carolina Journal may be reprinted provided the Locke Foundation receives prior notice and appropriate credit is given. Submissions and letters to the editor are welcome and should be directed to the editor.

Readers of Carolina Journal who wish to receive daily and weekly updates from CJ editors and reporters on issues of interest to North Carolinians should call 919-828-3876 and request a free subscription to Carolina Journal Weekly Report, delivered each weekend by fax and e-mail, or visit Carolina Journal.com on the World Wide Web. Those interested in education, higher education, or local government should also ask to receive new weekly e-letters covering these issues.

## Contents

### ON THE COVER

• A new report from the Pope Center for Higher Education Policy calls for a moratorium on the sale of higher-education bonds approved by North Carolina voters in 2000. It also criticizes the University of North Carolina system for not giving repair and renovation projects top priority and for insisting on more expensive contracting procedures for bond projects. *Page 1*

### NORTH CAROLINA

• U.S. Sen. John Edwards led the fight against President Bush's judicial nominee Charles Pickering, which drew the ire of North Carolina Congressman Walter Jones Jr. *Page 4*

• The John Locke Foundation says the state has the capability to balance next year's budget, and offers advice on how to do so in its alternative budget. *Page 4*

• A study of the transfer of Global TransPark assets and operations to another entity by the state DOT was late, short, and likely meaningless. *Page 5*

### EDUCATION

• Assistant editor Sherri Joyner interviews school choice advocate Clint Bolick during his recent visit to North Carolina. *Page 7*

• Lindalyn Kakedelis writes that the time has come to demand from the state end-of-grade accountability through genuine quality testing. *Page 7*

• Just a little more than half of students who enter high school in North Carolina gradu-

ate four years later, and the number has fallen steadily over the last decade. *Page 8*

• Steering committee members of the Children's Scholarship Fund decide to raise funds on their own in order to help some students ineligible for CSF funds to stay in school. *Page 9*

### HIGHER EDUCATION

• North Carolina State University administrators and professors come to the support of embattled Professor Philip Munoz, who was accused of fostering a racially hostile climate in his class. *Page 10*

• State Sen. Steve Metcalf received a \$95,000-a-year position at Western Carolina University, and now some say he has a conflict of interest. *Page 11*

• George Leef mourns the dumbing-down of America, saying the evidence points to a nationwide deterioration of general education in our universities. *Page 11*

• Assistant editor Jon Sanders reports on a recent teach-in on terrorism at UNC-Chapel Hill, and a (sort of) related campus dialogue on race at North Carolina State University. *Page 12*

• Sanders discusses the history and progression of getting a liberal arts education. *Page 13*

### LOCAL GOVERNMENT

• Erik Root explains the story of Robert J. Foster, whose experience with the legal system of Brunswick County left him broken, helpless, and soon homeless. *Page 14*

• Transportation expert Wendell Cox of the Heartland Institute presented his views on growth, sprawl, and mass transit to the Triangle Community Coalition last month. *Page 15*

• An interview with Yadkin County Commissioner Josh Baity. *Page 16*

### THE LEARNING CURVE

• Reviews of the books *The Academic Achievement Challenge* by Jeanne Chall and *Our Post Human Future: Consequences of the Biotechnology Revolution* by Francis Fukuyama. *Page 18*

• Reviews of the books *Unfree Speech: The Folly of Campaign Finance Reform* by Bradley A. Smith and *The American Soul: Rediscovering the Wisdom of the Founders* by Jacob Needleman. *Page 19*

### OPINION

• Editorials on the state Supreme Court's redistricting decision and wasting money at the N.C. Technological Development Authority. *Page 20*

• Editorials on political self-justification and elected state officials who are also employees of the state. *Page 21*

### PARTING SHOT

• The date is June 2007, and after years of having to take other money to balance the state budget, Gov. Mike Easley finally decides to use a bit of economic development money to accomplish the task. In response, economic developers and corporate beneficiaries stage a protest. *Page 24*

## Calendar

### Ward Connerly, Opponent of Racial Quotas, to Speak at JLF

Ward Connerly, author of the autobiography *Creating Equal: My Fight Against Race Preferences* and outspoken advocate of equal opportunity for all Americans regardless of race, sex, or ethnic background, will be the featured speaker at a John Locke Foundation luncheon in Raleigh on June 25. The program will start at noon at the Brownstone Hotel.

Connerly is founder and chairman of the American Civil Rights Institute, a national, nonprofit organization aimed at educating the public about the need to move beyond racial and gender preferences.

As a member of the University of California Board of Regents, Connerly focused the attention of the nation on the university's race-based system of preferences in its admissions policy. On July 20, 1995, following Connerly's lead, a majority of the Regents voted to end the university's use of race as a means for admissions. He was appointed to a 12-year term as UC Regent in March 1993.

In 1995, Connerly accepted chairmanship of the California Civil Rights Initiative (Proposition 209) campaign. He accepted the responsibility in December 1995 when he decided the campaign was in jeopardy. Under his leadership, the campaign successfully obtained more than one million signatures and qualified for the November 1996 ballot. California voters passed Proposition 209 by a 55 percent to 45 percent ratio.

Connerly's efforts have led to several honors and awards from supporters around the nation, including the *Patrick Henry Award* (1995) from The Center for the Study of Popular Culture and Individual Rights Foundation, the *National Columbia Award* (1996) from the Washington Institute for



Ward Connerly

Public Policy Studies, the *Lincoln Award for Leadership* (1997) from the Independent Women's Forum, the *Courage in Leadership Award* (1997) from Black America's Political Action Committee, and the Lt. General Edward J. Bronars *Defender of Freedom Award* (1997) from the Freedom Alliance.

Connerly has been profiled on *60 Minutes*, the cover of *Parade* magazine, the *New York Times*, *Wall Street Journal*, *Newsweek* magazine, and virtually every major news magazine in America. He has also appeared on *The NewsHour with Jim Lehrer*, *Crossfire*, *Firing Line*, *Hannity & Colmes*, *The Crier Report*, *Meet the Press*, *Dateline*, *Politically Incorrect*, *NBC Nightly News*, and *CNN*.

Connerly is president and chief execu-

tive officer of Connerly & Associates, Inc., a Sacramento-based association management and land development consulting firm founded in 1973 by him and his wife, Ilene. He is regarded as one of the housing industry's top experts, possessing a comprehensive knowledge of housing and development issues. He has been inducted as a lifetime member into the California Building Industry Hall of Fame.

The cost of the luncheon is \$15 per person. For more information or to preregister, contact Kory Swanson at (919) 828-3876 or events@johnlocke.org.

### Locke luncheon in Charlotte

The John Locke Foundation will host a luncheon at the City Club in Charlotte at noon June 20. Foundation President John Hood will conduct a critical-issues briefing on "Taxes, the Budget, and the 2002 Legislative Session." The City Club is in the Interstate Tower at 121 West Trade St. in Suite 3100. The cost of the luncheon is \$15 per person. For more information or to preregister, contact Kory Swanson at (919) 828-3876 or events@johnlocke.org.

### Shaftesbury Society

Each Monday at noon, the John Locke Foundation plays host to the Shaftesbury Society, a group of civic-minded individuals who meet over lunch to discuss the issues of the day. The meetings are conducted at the Locke offices in downtown Raleigh at 200 W. Morgan St., Suite 200. Parking is available in nearby lots and decks.

If you would like to join us, call Kory Swanson for details or email him at events@johnlocke.org. CJ

# Report Criticizes Priorities, Costs of UNC Bond Projects

Continued From Page 1

the savings from not issuing the bonds authorized for 2003 would be "\$62 million in principal and interest in the current fiscal year and \$60.5 million the next," and that "Not immediately issuing the 2004 bonds would save \$63 million in that year."

As Leef writes, "A moratorium would *not mean* job layoffs in itself, and by reducing the budget deficit would reduce the state's need to make layoffs of current employees."

For this reason, Leef writes that "a moratorium appears less undesirable" than new tax increases or across-the-board budget cuts that would impact necessary state functions equally with state functions that are completely unnecessary. "The question to ask is whether [a moratorium] would be less damaging to citizens of North Carolina than alternative means of closing the budget gap," Leef writes.

Leef also notes that "a key selling point of the bond proposal to voters in 2000 was the promise 'It won't raise your taxes,'" but its approval "led to new budgetary obligations that helped drive the budget into deficit and pave the way for tax increases enacted in 2001."

Leef's implication is clear: Not only is a moratorium on bond sales fiscally responsible for the state and in keeping with the original intent of the legislation authorizing the proposal subject to a popular vote, but also it is in keeping with the spirit of the voters who approved the plan based on the promises of the bond supporters.

## Leaky roofs still leaking?

A disturbing portion of the report is Leef's look at the bond proposals already under construction or under design. Despite the bond campaign's focus on leaky roofs and poor conditions of classrooms, laboratories, and dormitories across the UNC system, those projects are not getting the same amount of initial attention as are the projects involving new construction.

Noting that "no one wants students trying to learn science in antiquated labs, living in dilapidated dormitories or experiencing any of the other bad conditions that were widely publicized during the campaign over the bonds," Leef said "the highest priority for the work approved under the bond proposal should be repairs and renovation." What he found, however, was that "the new construction projects are moving forth more rapidly on the whole than are the renovation projects."

The bond proposal contained 298 indi-



Memorial Hall at UNC at Chapel Hill before the beginning of bond work



Doles Hall, one of the dormitories at Elizabeth City State University in "terrible condition" that has yet to see the promised renovation under the voter-approved higher education bonds of 2000.

vidual projects—195 were for building repairs, renovation, and replacement, and 103 were for new construction. As of March 2002, Leef found, only 16 (or 8 percent) of the 195 ostensibly high-priority repairs and renovations projects were under construction, while 25.5 (or one-fourth) of the 103 new projects were under construction.

No action was reported on almost one-half of the top-priority repairs and renova-

tion projects (93.5 projects, or 48 percent), whereas no action was reported on about one-fourth of the new-construction projects.

Leef cited a few particular cases of buildings — placed in the forefront by the bond campaign as examples of how decrepit UNC structures had become and how necessary the bonds were — that were still being overlooked in favor of new construction. Many of the buildings used to depict

UNC's crumbling infrastructure to prompt passage of the bond proposal are still, two years after the fact, crumbling.

Another unsettling portion of Leef's report is his detailing of the minority preferences used by the UNC system in bond projects. As Leef points out, state law already dictates a 10 percent goal for participation by what are called "historically underutilized businesses" (minority-owned businesses) in state construction projects, meaning that 10 percent of the dollar value of state contracts must go to the underutilized businesses.

The cumbersome law, Leef explains, increases the costs of construction by displacing the importance of price and quality in contracting and subcontracting decisions.

The law also burdens contractors with several extra steps (called "good faith efforts") to take in meeting the goal and avoids the more costly scrutiny that failing to reach the 10 percent goal invites.

As Leef explains, the legality of such preferences is doubtful. "Similar 'good faith to meet percentage goals' plans have been repeatedly stricken down in the courts as unconstitutional violations of the right to equal protection of the laws," Leef writes.

"For example, Charlotte's minority contractor law, which also required contractors to use 'good faith efforts' to ensure that a certain percentage of the value of contracts went to favored contractors, was recently challenged in court, and Charlotte not only did not even raise a defense of it, but also the city agreed to summary judgment against its program and terminated it."

In fact, Leef writes, "Since 1989, not one race-based government program for public contracting has withstood court challenge anywhere in the United States." The problem Leef found is not that UNC is adhering to the state goal of 10 percent participation of underutilized businesses. It's that UNC openly seeks to exceed the goal.

Leef cites UNC's plan for underutilized businesses, which says UNC "seeks to supplement and expand, where reasonable and practicable, the efforts of the State's Department of Administration in recruiting and selecting minority contractors for University construction projects."

As Leef notes, North Carolina voters were never informed during the bond campaign that UNC sought to supplement and expand the state's contracting preferences law through the bond proposal's passage.

"Particularly at a time when the state budget is awash in red ink," Leef writes, "for the UNC system to insist on more expensive contracting procedures for bond projects is irresponsible." CJ

# At UNC, New Construction Still Gets Priority Over Repairs

Continued From Page 1

laboratory or the New West classroom building at UNC-Chapel Hill."

UNC-CH is not the only institution in the UNC system that Leef found neglecting their highly publicized repairs and renovations needs in favor of new construction. From the report:

- "...the terrible condition of the residence halls at Elizabeth City State University was featured in the documentary "A Building Crisis," with a student complaining about rodents, spiders, and the lack of hot water. Yet none of the three residence halls slated for renovation has even reached the design phase. What is under design, however, is new construction for a student center and physical education facilities."

- "No progress is reported on the renovation of Stilwell laboratory or the renovation of the Forsyth classroom and computer lab at Western Carolina University. The laboratory conditions at Western Carolina moved a student to

tears on camera in 'A Building Crisis.' Yet the new fine arts and humanities building is under construction."

- "At N.C. State University, no action is reported on the renovation of the Withers and Gardner science laboratories (highlighted for their inadequacy in the N.C. State Bulletin, 'Special Bond Edition' of Oct. 27, 2000). Meanwhile, a new horticultural classroom at Raulston Arboretum is under construction and infrastructure for the Centennial Campus is under design."

- "Ground has been broken for the expansion of the Highsmith Student Center at UNC-Asheville, which will include a cafe with outdoor seating, a food court, office space for the student newspaper and other amenities, but the renovation of Carmichael and Zageir Hall classroom buildings has gone no further than advertising for a designer."

Leef says that the top priority for bond-related work should be repairs and renovation. But, he asks, "do the projects already under construction or at the design stage reflect those priorities?" CJ



Construction on N.C. State's Raulston Arboretum.

## Around the State

• Cities and counties have only whispered about the idea so far, but in May the Winston-Salem Board of Aldermen asked City Attorney Ron Seeber to look into the possibility of suing the state, and Gov. Mike Easley, because of Easley's decision to withhold \$8.1 million from the city this year. The potential exists for more to be withheld next year, with greater deficits expected. The aldermen also will ask Forsyth County's legislators to sponsor a bill that would prevent the state from withholding tax reimbursements unless the General Assembly approves such a measure. Winston-Salem is projecting a \$13.3 million shortfall for next year, which includes \$7.6 million in reimbursements the city expects the state to withhold. Reported by the *Winston-Salem Journal*.

• Shortly after Easley renewed efforts earlier this year to get the General Assembly to pass a state lottery, State Treasurer Richard Moore and State Board of Education Chairman Phil Kirk were quoted in the same week opposing a lottery. In early May the same two political leaders publicly countered another claim made by the governor, who said earlier this year that his budget cuts would "hold the classroom harmless." Moore told the *High Point Enterprise* that 60 percent of state tax dollars goes to education, and significant cuts would likely affect it. The *Asheboro Courier-Tribune* quoted Kirk as saying, "The governor has said the cuts would not affect the classrooms, but I can't see how classrooms won't be affected."

• Easley in April garnished more money targeted for specific purposes in order to balance the state's budget. This time \$60 million from the state's tobacco settlement, intended for the Tobacco Trust Fund and the Health and Wellness Trust Fund, were seized by the governor in anticipation of tax revenues being smaller than expected. Both trust funds were set up to each receive 25 percent of settlement revenues, while the economic development-oriented Golden LEAF Foundation was to receive the other 50 percent.

However, Easley set aside only payments to the Tobacco and Health and Wellness funds—not Golden LEAF. House Minority Leader Leo Daughtry questioned that logic in the *Winston-Salem Journal*, saying "What about the [Golden LEAF] half? That'd be the most logical place to get the money. The other two seem like what the money was intended for in the first place." "That (Golden LEAF money) is a slush fund," Daughtry said. Likewise, The Health and Wellness Trust Fund commission's Bob Parker asked, "Why didn't the governor take Golden LEAF money?" Easley's spokeswoman Cari Boyce explained that the legislation that set up Golden LEAF would make it difficult for the governor to touch the money. According to the legislative research office for the General Assembly, Senate Bill 6 directed that 50 percent of the settlement funds go directly to Golden LEAF without coming to the state, unless the Assembly changes the law. *CJ*

*Camaraderie of yesteryear recedes into history*

## Edwards and Jones Spar over Judicial Nominee

By JOHN GIZZI  
Contributing Editor

WASHINGTON

It isn't often that members of North Carolina's congressional delegation criticize one another or even talk about one another.

As partisan and polarizing a figure as Jesse Helms was made out to be, the conservative Republican worked with seven different Senate colleagues from his home state—from the legendary Sam Ervin when Helms came to the Senate in 1972 to fellow Democrat John Edwards today—and was never recorded as uttering an unkind word about any Democratic colleague.

Rep. Walter Jones, R-N.C., once proudly recalled how, when North Carolina Republicans began to step up challenges to his Democratic congressman-father Walter Sr. in the latter's twilight years, Helms would never sign endorsements for GOP foes to the elder Jones.

But like so much of the camaraderie on the Capitol Hill of yesteryear, the good nature and convivial atmosphere that North Carolina's congressional delegation typified more than most appears to be swiftly receding into history.



U.S. Rep. Walter Jones

The reason, most observers conclude, is Edwards's unusually aggressive role in the Senate Judiciary Committee's thwarting of Mississippi District Judge Charles Pickering's nomination to the U.S. Court of Appeals. Possibly the worst-kept secret in official Washington is that Edwards is running for president in 2004 and, not unlike then-Sen. Birch Bayh, D-Ind., leading the charge against Richard Nixon's nomina-

tions of conservative Southerners to the Supreme Court, North Carolina got more encouragement for moving out front in the "Stop Pickering" offensive.

But in the process, he got a sharp rejoinder from Jones on the House side. In a letter to Edwards that Jones's office made public, Jones charged Edwards with "putting his 2004 presidential aspirations ahead of what is right" and "being too concerned about offending the proabortion movement and other members of the extreme left."

Jones accused Edwards and Democratic colleagues in the Senate with saying "No Conservatives Need Apply" to the federal bench. "Because Judge Pickering supports the rights of the unborn," Jones said, "Senator Edwards and his liberal colleagues on the Senate Judiciary Committee are refusing to let [his] nomination come to the floor of the Senate. This is wrong."

This is also strong medicine, and the kind of criticism North Carolinians are not used to seeing their representatives in Washington dish out against one another. As the Senate plays rough with more nominations from the White House in coming months, it seems likely more such incongruous salvos are going to be fired and heard. *CJ*

## Locke Foundation Releases Alternative Budget

By CAROLINA JOURNAL STAFF

RALEIGH

North Carolina can balance next year's budget without damaging classroom instruction and while stimulating the state's economy through tax cuts, according to a new alternative budget plan released in May by the John Locke Foundation.

In a Spotlight briefing paper (online at [http://www.johnlocke.org/issues/Spotlights/217\\_changing\\_course\\_V.pdf](http://www.johnlocke.org/issues/Spotlights/217_changing_course_V.pdf)) coauthors John Hood, Don Carrington, and Roy Cordato sketch out a proposal for the 2002-03 fiscal year that would eliminate the projected budget deficit, repeal last year's increases in sales and income taxes, and provide additional tax relief for North Carolina families and businesses.

"Elected officials are saying that the problems plaguing the state budget are serious ones, and they are," said John Hood, president of the Raleigh-based think tank.

"But they can be addressed without subjecting the economy to additional blows through tax hikes," he said.

The alternative budget, *Changing Course V*, assumes revenue growth in the coming fiscal year of about 1 percent, which is reportedly a level similar to what state budget officials have proposed.

According to the most recent projections available, the authorized budget for FY 2002-03 and proposed expansion items (enrollment increases, pay raises, etc.) will exceed this revenue projection by nearly \$1.8 billion.

The *Changing Course V* budget identifies \$1.6 billion in General Fund savings in both the base budget and the expansion budget approved last year.

The budget also proposes \$403.7 million in new spending, primarily associated with enrollment increases and public employee bonuses.

The net savings, \$1.2 billion, are added to additional nontax revenues such as pro-

ceeds from the national tobacco settlement and unspent hurricane relief funds to eliminate the projected budget deficit.

The plan would also repeal last year's increases in sales taxes (\$398.7 million), income taxes (\$108.9 million), and liquor taxes (\$24.7 million).

It would cut state personal and corporate taxes to conform with changes in the federal tax code, saving taxpayers an estimated \$258 million, and offer about \$106 million in additional tax cuts for families.

At the same time, the plan identifies hundreds of millions of dollars in unjustified tax loopholes and incentives to eliminate, thus yielding a net tax cut of \$530 million in fiscal year 2002-03.

"North Carolina government deficits aren't happening in a vacuum," Hood said. "Revenues have fallen short of projections largely because the state's economy has experienced a painful recession — a downturn exacerbated by last year's unnecessary and destructive tax increases. While preserving core programs, we must

get tax rates down to help spark economic renewal and investment in new and existing industries."

**Budget Plan At A Glance**

Following is a description of the major budget savings in *Changing Course V*:

• *Business Subsidies and Incentives.* The authors propose \$255 million in savings in FY 2002-03 in this area, including the elimination of wasteful tax credits and unnecessary business assistance, marketing, and recruitment programs.

• *User Responsibility Recommendations.* The authors propose \$221 million in lower taxpayer outlays in dozens of state programs by requiring those who use non-entitlement public services to cover a larger share of the cost. These include tuition increases in the UNC and community college systems.

• *Non-Teacher Education Expenses.* The authors propose \$218 million in savings from reducing or eliminating items in the public schools, community colleges, and universities that do not fund classroom teachers or professors.

These include reductions in administration, teacher assistants, hospital subsidies, and noninstructional activities.

• *Medicaid and Health Care.* The authors propose \$144.5 million in savings through adjustments in services, payment structures, and reimbursements to the state's major medical programs.

• *Administrative Reorganization.* The authors propose \$97 million in savings in this area, including the creation of two new departments (Finance and Public Safety) to replace six existing ones and the merger of the Highway Patrol, the DMV Enforcement Branch, Alcohol Law Enforcement, and the State Bureau of Investigation to form a single statewide police force.

• *Research and the Arts.* The authors propose \$87 million in savings by eliminating most state support for arts organizations and by requiring research activities inside and outside the UNC system to pay more of their own way.

• *Debt Service.* The authors propose \$161 million in savings by suspending issuance of all state bonds and by privatizing state-owned transportation assets, using the proceeds to buy down existing bonded debt.

Overall, Hood said, the *Changing Course V* budget would spend \$8 billion in General Fund dollars on education at all levels, or 2 percent less than the revised authorization for FY 2001-02.

He also said \$3.4 billion would be spent on health and human services, virtually unchanged from fiscal year 2001-02.

The proposed budget would allocate \$2.3 billion for all other items, an 8.5 percent decline from the previous year.

"Nearly everyone now understands where the problem areas and savings opportunities are in the state budget," Hood said.

"What is needed now is the courage to set firm priorities and make difficult decisions." *CJ*

***"What is needed now is the courage to set firm priorities and make difficult decisions." — Locke President John Hood***

Steven Emerson speaks at John Locke Foundation luncheon

## Terror Expert Says Islamic Militancy Must Be Delegitimized

By PAUL CHESSER  
Associate Editor

RALEIGH  
Steven Emerson, an author and television analyst renowned for his expertise on world terrorism, says Islamic militants are gaining a foothold in the United States partly because government and the media aren't aggressive enough in denying their legitimacy.

"After all," Emerson said at a John Locke Foundation luncheon May 20, "no one wants to be accused of being a racist."

Emerson is executive director of The Investigative Project, which he started in 1995 after Public Television broadcasted his documentary film, "Jihad in America." The film exposed operations of militant Islamic terrorist groups in the United States, and Emerson received several journalistic awards for his work. He is regularly seen on NBC's news programs commenting on terrorism issues.

Emerson said at the luncheon that government officials and law enforcement are limited in their power because of freedoms uniquely enjoyed in America. "There's no magic formula" for which civil rights can be reconciled with protection of citizens, he said. Islamic militants are free to incite chants of "Death to America" without concern for action by the FBI because of their speech freedoms—criminal evidence needs to be present for law enforcement to act.

Until Sept. 11, terrorist cells and mili-

tant Islamic groups have been able to assimilate into the United States under cover of civil rights groups, using the language of other similar mainstream organizations. Emerson said political correctness and the refusal of the media to dig below the surface of such groups enabled them to operate with little scrutiny. Even National Public Radio refused to allow Emerson on its news programs because of his views on militant Islam.

"That is the type of political correctness...that was practiced prior to 9-11," he said.

Emerson made a distinction between militant Islam and most Muslims, which he said do not support violence. But he also said most in the militant Islamic movement refused to condemn Osama bin Laden after the attacks, which he said was part of a strategy to "make America safe for militant Islam," and enable it to promote its agenda.

As a result of the recent terrorism threat,



NBC terrorism analyst Steven Emerson

Emerson said, "The flip side is, there is discrimination against Muslims. It may be unfair after 9-11, but it may also be necessary."

"These guys operate under the radar screen," said Emerson, adding that government had no idea in advance that the terrorist attacks would happen.

He said an emphasis by U.S. intelligence, including the FBI and CIA, on political correctness sent a lot of infor-

mation "into a bureaucratic deep-six." He cited the now famous FBI "Phoenix memo" that warned about Osama bin Laden's terrorists training in American flight schools, which evidently fell upon deaf ears or was lost in the morass.

Emerson said even if there had been suspicion about Muslim pilots at flight schools, law enforcement would have been accused of racial profiling.

"The notion of trying to interrogate these pilots before 9-11 would have elicited [profiling allegations]" Emerson said.

Because the United States is the most free society in the world, it is at a disadvantage in fighting terrorism. Emerson compared America to Israel, whose people allow government greater intrusion into personal liberties that would not be permitted here. "Societies respond when there's blood in the streets," he said.

Emerson said he wasn't advocating restrictions on constitutional freedoms. But "Let's be more aware," he said.

"Who are we embracing and legitimizing?" he said rhetorically. He said the government should discontinue inviting representatives of groups and countries who sponsor terrorism to places like the White House and Congress. He said media organizations such as *The New York Times* need to editorialize against militant Islam. He compared the situation to the way the Ku Klux Klan was delegitimized by society, government, and the media over time.

"The KKK finally withered," he said.

There are representatives of militant Islam in nearly every American city, Emerson said. There are two levels of terrorism "cells" at work: one involved in gaining logistical (financing and recruitment) support overseas, and the other plotting attacks against America. He said the second group is more difficult to identify.

While considered an expert, Emerson admitted he didn't know what to do about terrorism. "Three-thousand deaths later, and we are on a new learning curve." *CJ*

Only 481 words in late report for General Assembly

## Global TransPark Study Nosedives

By DON CARRINGTON  
Associate Publisher

RALEIGH  
Last year the General Assembly ordered the Department of Transportation's Aviation Division to "study the transfer of the Global TransPark airport fixed assets and operations from the global TransPark Authority to another appropriate entity."

The legislation that ordered the study also specified that the study be completed by Feb. 15 and delivered to the Joint Legislative Transportation Oversight Committee and the chairmen of the Senate and House Appropriations committees.

The study was finally released May 7. Not only was it almost three months overdue, it totaled a mere 481 words. Also, the document, entitled a "Briefing Paper," may not reflect the intent of the legislature.

Most observers thought the Assembly intended the study to outline a procedure for turning the property and operations back to a new Kinston-Lenoir County Airport Authority, the previous owner. DOT Deputy Secretary Gene Conti told *CJ* that he and the study's author, the Division of Aviation, considered that possibility but did not include it in the written document.

Instead, the study recommended that the Division of Aviation take over GTP airport operations and other direct aviation assets for a period not to exceed two years.

The study also recommended that the Division of Aviation should report directly to the chairman and vice chairman of the

GTP Authority on GTP airport operation and aviation development activities.

On March 27, Gov. Mike Easley appointed himself as chairman of the GTP Authority and Conti as a new board member and vice chairman.

While the study did not specify it, Conti told *CJ* that he intended for the Aviation Division to manage only the airport proper and 300 adjoining acres. He said the GTP Authority staff and the privately financed GTP Foundation needed to focus on marketing and development of a separate business plan to market the 15,000 surrounding acres that it controlled.

Conti said he did not think legislation was required to carry out the recommendations.

Among specific plans proposed by the report were: develop and implement a comprehensive business plan; establish an Aeronautical Academy; establish an FAA air traffic controller training program; re-establish scheduled commercial air service; and attract at least one major aviation-related tenant.

Asked about the future of the GTP, Conti said, "I am optimistic, but not promising anything."

The GTP, a state project born 10 years ago, is located at the former Kinston Airport. The plan was to create a combination airport and industrial park that catered to just-in-time manufacturing operations. After spending as much as \$200 million on the project and related endeavors, the GTP has failed to attract any new manufacturing jobs and the airport operation runs an annual operating deficit of about \$600,000. *CJ*

**The study was finally released May 7...not only was it almost three months overdue, it totaled a mere 481 words.**

## We Want Less!

Concerned About Issues Such As Taxes, Regulations, Property Rights & Patient Choice in Health Care?

Thousands of your fellow North Carolinians are, too — that's why they have joined **North Carolina Citizens for a Sound Economy** to fight for less government, lower taxes, and more freedom. They are making their voices heard.



North Carolina CSE members protest state tax increases at an August rally in Raleigh.

**Fighting for the People's Agenda**

North Carolina Citizens for a Sound Economy holds politicians accountable for their votes on taxes, regulations, and other issues. Its aggressive, real-time campaigns activate a **grassroots army** to show up and demand policy change.

And it gets results. CSE has helped to **defeat three large tax increases** in North Carolina and defended property rights, parental choice, and individual freedom before the state legislature, county commissions, city councils, and elsewhere.

Here's what some are saying about Citizens for a Sound Economy:

- "They have been doing a great job all over the country educating people."  
— President George W. Bush
- "CSE is a great organization . . . The hundreds of thousands of volunteer activists that are members of CSE are vital to this country's economic prosperity."  
— U.S. Rep. Richard Burr of Winston-Salem
- "You guys are everywhere! CSE is a great organization. CSE, thanks."  
— Sen. John McCain



### Get Involved!

Join North Carolina CSE and Make a Difference!

115 1/2 West. Morgan St.  
Raleigh, NC 27601  
www.cse.org  
1-888-446-5273

## School Reform Briefs

•Parents can now easily find more information on the success or failure of their children's schools. Report cards for all N.C. public schools are available on the Internet at [www.ncreportcards.org](http://www.ncreportcards.org).

All states will move in this direction in the next six months. Under *No Left Behind*, states are required to provide report cards to the public by this fall.

The report cards provide information on school and student performance compared to district and state averages. They also provide information on class size and teacher quality.

"Armed with this data, we hope people will become more engaged in school improvement efforts across North Carolina. Parents and community members need information about how their schools are doing so that they can do a better job supporting them," Easley said. "When parents are more involved, students are more likely to succeed."

Besides being available online, school report cards will also go home with each child. This year marks the first year the information has been made readily available to parents.

While school report cards were released in May, parents can expect to see them every February from here on.

"It's time we grade the schools," Easley said.

The report cards also report to parents the success of individual subgroups. For instance, student performance is reported by grade and race.

State Board of Education Chairman Phil Kirk supported the release of the accountability report cards. "This is just the first step," Kirk said about the press release. "These cards will help us get more attention from the General Assembly."

Lindalyn Kakadelis, director of the North Carolina Education Alliance and former Charlotte-Mecklenburg school board member, welcomed the cards. "It's about time this information becomes available to all parents," Kakadelis said. "Many parents will be upset when they learn how poorly our schools are educating at-risk children."

•Guilford County Schools want to privatize cafeteria food services to save money. The plan to privatize will allow the district to save money without cutting jobs or salaries. Beginning this fall, private companies can bid to provide food service.

Superintendent Terry Grier said the companies would need to lure students into the lunchroom by offering more choices.

Privatizing school services is a growing national trend, although it is not popular in North Carolina. A handful of school systems, including the Winston-Salem/Forsyth County Schools and Chapel Hill-Carrboro Schools, contract out with a private food service.

The hired company would not be able to raise meal prices or reduce portions without board approval.

The proposal to save money also includes changing start and dismissal times and rerouting school buses. *CJ*

## Finding Academic Results in Preschool

Will new North Carolina programs generate long-term benefits for students?

By SHERRI JOYNER

Assistant Editor

RALEIGH

Preparing young children for kindergarten has become a key issue in North Carolina. Early-childhood programs receive a lot of attention, as well as a lot of money, from state legislators. The state authorized about \$550 million in state and federal funds this year on early-childhood programs such as Smart Start, Head Start, and Early Start. Gov. Mike Easley's new program, called "More at Four," also received \$6.5 million this year.

Many observers, however, are concerned about ways to measure the success of the programs. Most preschool programs fail to administer pre- and post-assessments of children to measure academic growth. Many programs also fail to keep academic learning central to the program.

Smart Start, for instance, puts little emphasis on academic learning, and only 70 percent of the program's funding has to stay in the classroom. The rest of the money can be used for a variety of purposes, such as health care or family support.

The debate in North Carolina is growing as more key players step up to the plate. In October 2000, Superior Court Judge Howard Manning ordered the state to provide prekindergarten programs for 4-year-olds who are identified as "at-risk" for academic failure.

With the ruling, it's possible that only preschool programs that maintain a strong academic focus and can claim proven results will continue to receive state and federal funding, leaving most North Carolina preschool programs in need of desperate repair.

Two of the more promising and most heavily funded programs, Bright Beginnings and More at Four, still need to prove that their programs can close the achievement gap for at-risk students.

## Bright Beginnings

Bright Beginnings does at least one thing that may prove critical: it measures student achievement. The pre-K program, created in 1997, serves 3,000 low-income children in Charlotte. The program's first class of graduates will finish third grade this year.

While results of Bright Beginnings tests show the first graduating class is narrowing the achievement gap, educators are waiting to see how well the class performs on end-of-grade tests this year.

The results from a comparison study show that Bright Beginnings participants are steadily performing better than a group of students who were eligible for the program but were not able to participate because of limited space.

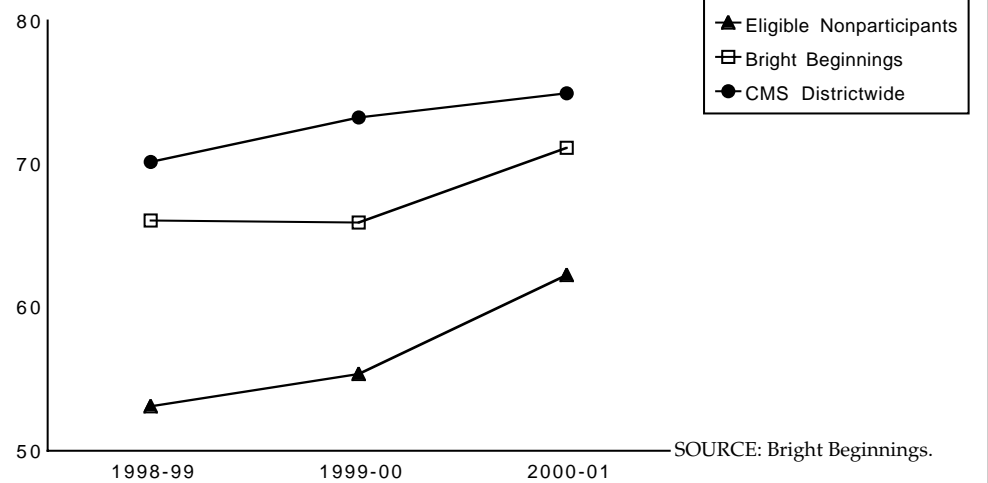
The study also shows, however, that Bright Beginnings students still remain behind other students in the school district.

According to Susan Agruso, assistant superintendent for instructional accountability, the program has shown success. "We are seeing the achievement gap between students narrow," she said.

This year, graduates of Bright Beginnings will have to prove the program made a difference by scoring well on end-of-grade tests. While Bright Beginnings assessments show that the program works, this will be the first year that another, more-recognized test, will be used to measure the students' achievement.

According to a recent *Charlotte Observer* story, this same group of students did not perform any better than their peers on pre-tests earlier this school year.

## Reading Proficiency in Charlotte/Mecklenburg Schools



"This program is not a silver bullet," Edmonds said. "We have to remember these are at-risk children."

Edmonds also warned against looking only at end-of-grade results of the first graduating class. After all, it has been four years since they left the program.

"When our children enter kindergarten, they are ready," Edmonds said. "We don't have any control over teacher quality in kindergarten, first, second, or third grades. This is something we need to look at in the future. We need to make sure they get good teachers every year."

Agruso agreed. "One year isn't going to fix the problem," she said. "We have to continue helping these students."

The *Charlotte Observer* story also reported that teachers are under pressure to pay more attention to graduates of the program than to other students, to ensure their success.

Ellen Edmonds, director of Bright Beginnings, denies that Bright Beginnings students are receiving extra attention. "Bright Beginnings students are not receiving any more attention than any other at-risk child," she said.

The debate could cause some concern for the program's validity. If Bright Beginnings students do receive extra tutoring then, as noted by Judy Kidd, head of Charlotte/Mecklenburg's Classroom Teachers Association, in the *Charlotte Observer* story, the longevity of the program's effectiveness will be debateable.

Barbara Pellin, assistant superintendent for Student, Family, & Community Services with CMS, also denied that Bright Beginnings students receive extra attention.

Bright Beginnings got off to a rocky start and has changed over the last couple years. In the first few years of the program, designers left a lot of latitude to the teachers to decide what direction they wanted to take with the literacy-based curricula. Now, the program has very explicit instructions to teach skills such as print awareness and phonemic awareness.

## Seeking cost-effectiveness

Bright Beginnings is free to Mecklenburg parents, but it costs the district \$5,600 per child, Pellin said. That figure includes the cost of teachers and materials, but may under-represent the true cost of the program because it fails to include the costs of building renovation or transportation.

The cost-effectiveness of the program remains at issue. The district pours thousands of dollars into a program, and little is yet known about long-term benefits.

"The district has a huge financial investment in this program. We need to be

held accountable for that investment," Edmonds said when asked whether the program should continue if no solid positive results were found in the next few years. "If we don't see a payoff in student performance, then it's a program that needs to be revisited."

## More at Four

The new More at Four program, created by Easley this year and funded heavily despite a budget crunch, has yet to ask for a student evaluation to determine academic progress. The program was created with wide support from legislators to provide an academically focused pre-K program for at-risk 4-year-olds.

Unlike many preschool programs, More at Four requires teacher certification, uses only approved curricula, and limits class size to 18 students.

About 3,000 children are being served through More at Four grants. The state awarded the grants earlier this spring and programs began using them immediately.

But like most preschool programs, More at Four has yet to measure student academic growth.

The state has failed to issue any assessments and did not ask grant recipients to measure pre- and post-performance. Some grant recipients suggest the assessments may be given next year, when the program will have been in operation for a full year.

Bright Beginnings received grants for three More at Four classrooms this year and uses Bright Beginnings assessments to measure the children's academic growth. Edmonds reported that the state has failed to ask them to issue any state assessments. However, she hopes to see one in the future, especially since More at Four recipients can use a variety of curricula.

While curricula for More at Four has to be approved, only some are literacy-based.

Others, like the well-known High/Scope Approach, are child-orientated and child-initiated, meaning the teacher develops and teaches only what the child is interested in.

"Since we believe that children learn best by pursuing their personal interests and goals, children in High/Scope settings are encouraged to make choices about materials and activities throughout the day," reports the program.

To remain a viable option for prekindergarten, More at Four will have to guarantee academic success and close the achievement gap.

"I'd like to see if a different curriculum makes a difference in academic performance. A state assessment is needed," Edmonds said. *CJ*

*The future of education***Bolick: School Choice and the Courts**

By SHERRI JOYNER

Assistant Editor

RALEIGH  
The following is an interview with Clint Bolick, vice president and director of litigation at the Institute for Justice, the nation's most prominent defender in court of school-choice programs such as vouchers, tuition tax relief, and scholarship tax credits. See [www.ig.org](http://www.ig.org) for more information.

Carolina Journal: What originally sparked your interest in litigating school reform?

**Clint Bolick:** I actually planned to be a schoolteacher. In fact, I have a lifetime certification in the state of New Jersey, where I went to college to teach social studies. It was my experience in student teaching and observing public schools that made me realize there was a serious problem and I might be able to do more for education in the courtroom than in the classroom.

It was a sudden career shift. I had no interest in being a lawyer. I took a class in constitutional law, and I realized, "This is it, this is how you make change in society." Of course the paradigmatic case is *Brown v. Board of Education*, but so much education policy has been made in the courtroom. Much of it for worse than better. For instance, forced busing is purely an invention of the judiciary.

CJ: Let's talk a minute about busing. A federal court in Charlotte recently ruled that children can no longer be bused for racial distribution. How do you see this case affecting reform?

**Bolick:** It seems to me that the end of court-controlled school districts gives us a huge opportunity. In many instances the courts are throwing up their hands and saying we've done all we can do. In many instances, however, the educational opportunities are not remotely equal, leaving us with opportunities to fill in the holes.

CJ: In Wake County, parents are upset because the school system is busing students based on income. Do you see any problems with this?

**Bolick:** There are probably not any federally constitutional problems with that, but there could very well be state constitutional problems with it. Dividing children on fairly arbitrary lines, and forcing them to go past their neighborhood schools to other schools, is a pretty dramatic action to take. It should only be taken for the strongest of educational motivations. I'm not sure the school district would be able to show such a strong interest. The more social engineering, the more pressure there is for school choice.

CJ: In February the U.S. Supreme Court heard arguments on the constitutionality of the Cleveland voucher program. You have been very involved in this case since the beginning.

**Bolick:** It was just an hour and half of arguments for both sides. I did not get to argue that day. I was at the counsel table. I had argued every single round up till then; but in the Supreme Court you only get to have one advocate. The state got to choose the advocate, and it chose Judy French, a solicitor for the state of Ohio. She did a good job. I was scribbling notes frantically. Having argued every round of every case, it was odd not to get up. I was sitting there coaching, that's for sure.

CJ: The Supreme Court will rule in June on this case. You lost at the two court levels before this, so are you worried about losing again?

**Bolick:** Well, there are a couple of things that make me feel pretty positive. First of all, this case initially went up through the state court system. The program was upheld by the Ohio Supreme Court, so we won in the state system. Then the plaintiffs appealed and had greater success in the federal courts.

The U.S. Supreme Court usually takes cases to overturn them. They didn't take the Wisconsin case, which we won. They didn't take the Arizona case, which we won. And then we lost Ohio, and they took that one. So we are optimistic that the reason they took this case was because they thought there was a reason to overturn it.

CJ: So your prediction of the outcome is favorable?

**Bolick:** I will say that we will either win, or we will lose on some technical aspect of the Cleveland program that



Clint Bolick speaks at a Locke Foundation luncheon in May.

troubles the court. What we won't have is a decision from the Supreme Court saying it can't have a school choice program. The reason we are so confident about this is because the court has had a number of cases in recent years that are seen as surrogates of school-choice cases. The court has repeatedly set forth a basic framework for aid that finds its way into religious schools or religious activities.

It's a two-part framework. The first part is that the government should not directly send money to religious schools but rather can make the money available to third parties, like parents or students. The second is neutrality. Religious schools should not be in a preferred position. They can only be one of many options.

CJ: How do you feel about the No Child Left Behind Act passed by President Bush? Do you believe it will offer a real reform?

**Bolick:** The problem was that Bush sacrificed the private-school alternative very early on. Just shuffling kids around in a public school system doesn't offer that much hope or competition. Another aspect is that a lot of school districts will have problems transferring the students to nonfailing schools. Take Chicago for example, in the mid-1990s, when we were litigating in Chicago, only one out of 64 high schools in the city scored above the 50th percentile.

CJ: Would you transfer these students out of the district?

**Bolick:** That's the question. Transferring them out of district is problematic, too. In a huge city like Chicago you have time issues. How long is the kid going to be on a bus? Besides, most schools in the suburban areas are already full and little room is left for students from failing schools.

Meanwhile, there are a plethora of private schools in Chicago with seats for those kids. These kids would not have to leave their own neighborhood. That's why it is so important to include private schools among the range of options.

CJ: What is the likelihood of getting a school reform program in North Carolina?

**Bolick:** I am not yet a student of the politically trained here in North Carolina, so I really can't venture an educated guess. I have not heard good things about the political climate. Certainly the governor would be inclined to veto any meaningful school-choice effort.

As far as the federal level, I think that the best opportunity for meaningful school choice is tax credits. President Bush and a number of senators, including Democrats, have championed the idea of Arizona-style tax credits, where you can make contributions to private scholarships. It's less direct, but it's meaningful. Thousands of kids in Arizona are going to private schools as a result of this type of program.

I think that litigation might be a good way to get things going in North Carolina. When you have a recalcitrant governor and a recalcitrant state legislature, there has got to be some tangible pressure to produce school choice. An educational-quality lawsuit might be useful. The *Leandro* case was a start, but didn't go far enough in finding a remedy.

One thing that makes litigation possible in North Carolina is that you have a state that is already declaring that some of its schools are failing. You've already established the problem that needs to be remedied. I think that really lends itself to a court challenge. CJ

**It's Time to Adopt High-Quality Tests**

Most everyone has heard of some controversy associated with end-of-grade or end-of-course testing. Several students this year were disciplined or suspended for refusing to take an end-of-grade test because of the controversy they or their parents found with it. In questioning the implementation of our state tests, the State Board of Education needs to look at two specific issues. First, is the state seeking the best way to prepare students for the tests? And, do the tests adequately measure student performance?

Under the current system, a student has several chances to pass end-of-grade tests. If they fail, the principal has the privilege to promote them. I would not call this high-stakes testing. Yet schools and teachers continue to place an immense amount of pressure on young students to pass the tests. I had a parent call me this year to complain her child's teacher told her class of students the first day of school they would not be promoted if they failed to pass end-of-grade tests. In reality, a student's chance for promotion is not based on only one test, and classroom activities should not focus on scaring students.

Student testing has been going on for years and remains the best way to measure academic achievement. Schools have always given achievement tests at the end of the year to determine academic growth and performance of a student. However, the undue stress schools are now placing on student testing is driving the public away from endorsing standards based accountability. This may not be a conspiracy to drive out accountability, but it is a great way to begin a movement against holding teachers responsible for teaching. Maybe this extreme emphasis comes from giving bonuses to overall school performance, rather than on individual teachers who are making a difference.

No matter how you look at it, a monetary bonus should not drive a third-grade teacher to tell students on the first day of class that their success for the year is determined by one test. Good teachers are confident in their teaching ability and have no reason to make students paranoid.

Considering the enormous amount of stress placed on students to pass end-of-grade tests, we should all hope the tests are correctly measuring academic performance. But no one really knows whether our tests are valid. State education officials will not release end-of-grade tests to the public despite pressure from parents and testing critics. This issue has already been remedied in several other states. It was public pressure that forced Texas, Ohio, and Wisconsin to make their tests public after students took them. Georgia also developed an outside committee of testing professionals from across the nation to review their assessments. The fact that our tests are totally developed, field tested, and normed only in this state is distressing. The fact that the Department of Public Instruction determines proficiency is much like the fox providing security for the hen house.

As I see it, if North Carolina officials wanted to drive out a chance for true reform, they would only have to continue on their current track. Our state has already managed to create a top down, mandatory program that leaves little choice to students or families. Our tests are surrounded with a cloud of secrecy and very few are consulted on its validity.

Standards-based accountability is imperative if we are going to determine academic progress. Looking at the implementation of end-of-grade testing in North Carolina, it is easy to conclude that we must have education officials who do not want true accountability. I propose it is time our State Board of Education makes an effort to consider the worries of parents and the public. We must decide now to offer accountability with a quality product. CJ



Lindalyn Kakedelis

## School Reform News From Across the Nation

## Student History Performance

The U.S. Department of Education released the results of the 2001 National Assessment of Educational Progress History test in April. The scores for fourth- and eighth-graders showed small improvements, while 12th-graders showed none. In the 12th grade, 57 percent of students still failed to demonstrate basic skills.

About 67 percent of fourth-graders, 65 percent of eighth-graders, and 43 percent of twelfth-graders performed at or above grade level.

Other findings from the report showed that students in nonpublic schools outperformed students in public schools

by a wide margin. NAEP scores were also divided into "Catholic" and "Other" for nonpublic schools. While other nonpublic schools saw a one-point increase in eighth-grader scores and declines for fourth- and 12th-graders, Catholic schools students showed gains at every grade level.

NAEP scores were also broken down by the frequency of computer use. Fourth-graders who used computers at school for social studies every day scored a whopping 47 points lower than students who "never or hardly" used computers at school. The margin for both eighth- and 12th-graders was 24 points.

"Such poor results in U.S. history are cause for additional alarm at a time when the United States is under terrorist threat," said Diane Ravitch, who spoke at a news conference organized by the department. As reported by the *Center for Education Reform* and the *Fordham Foundation*.

## National board certification?

Teachers with national board certification in Tennessee do not measure up to expectations. Dr. J. E. Stone of the College of Education at East Tennessee State University examined and compared the annual student achievement gains with the teacher's value-added score reports in the state's database. Of the 16 nationally board certified teachers in Tennessee who teach in grades three through eight, only one demonstrated exceptional teaching skills that produced high student achievement.

The teacher-effect scores for the 16 certified teachers were examined by year, grade level, subject, and annual growth in student achievement. Scores that showed growth of 115 percent or more of average annual growth earned a grade of "A." Scores that represented 85 percent or less of annual growth earned a grade of "F."

Considering all 16 teachers and every subject, Stone found a possibility of 128 teacher-by-subject-by-year teacher effect scores. Only 18 (14 percent) of the scores reached the exemplary level, and 13 (10 percent) were designated as failing.

None of the 16 teachers met the standard for a high-performing teacher established by a new bonus pay program in Chattanooga. The plan requires teachers to produce a gain of 115 percent of a year's growth in three core

subjects for three consecutive years. For more details, one can visit <http://www.education-consumers.com/briefs/stoneNBPTS.shtm>.

## More single-sex public schools

School districts may soon be able to receive federal funding for single-sex schools and classes if comparable coursework and facilities are available for both boys and girls.

The *No Child Left Behind* bill paved way for this type of funding last year. U.S. Secretary of Education Rod Paige hopes to broaden the scope of the idea and encourage districts to ex-

periment with more single-sex classes and schools.

New provisions allow school districts to compete for up to \$450 million for single-sex programs.

Several studies have noted the benefits and success of single-sex classrooms, especially for teenagers.

But opponents of single-sex education, including the American Civil Liberties Union and the American Association of University Women, say the bill is a gimmick, diverting attention away from coed schools.

Since the existence of Title IX in 1972, school districts have been forbidden to discriminate against any student on the basis of sex. Some schools, such as The Young Women's Leadership School, have operated with the blessings of local officials, who essentially challenged the federal government to close them down in the face of improved performance.

The Young Women's Leadership Schools serves teenage girls in the Harlem section of New York City. Almost all of the girls are black, Asian, or Hispanic, and every year most graduates go on to college. As reported by the *St. Louis Post-Dispatch*.

## Closing the racial gap

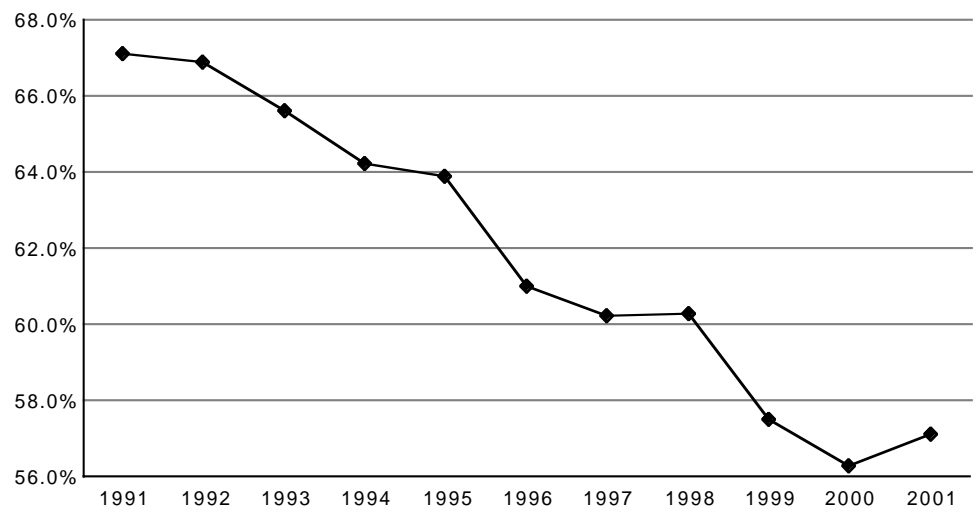
Black students in voucher programs score significantly higher than their peers in public schools, said two researchers after studying the data from voucher programs in New York City; Washington; San Antonio; Dayton, Ohio; and the Children's Scholarship Fund.

Harvard University professor Paul E. Peterson and William G. Howell, assistant professor of political science at the University of Wisconsin at Madison, found that black students in voucher programs score more than nine percentile points higher than public school students. That's a difference which could erase almost half of the achievement gap that is found nationally between white students and black students. The researchers also found that white children and Hispanic children in voucher programs did not score significantly higher than their peers in the public school system.

Peterson and Howell concluded that more research on larger, better-funded voucher programs in cities with larger black populations are needed. Their finding have been reported in a new book, *The Education Gap: Vouchers and Urban Schools*, published by Brookings. As reported by *The Washington Times*. CJ



Percent of N.C. Students who Graduate from High School in Four Years



## Legislators consider alternatives to keep kids in school

## Few Students in N.C. Graduate From High School on Time

By SHERRI JOYNER

Assistant Editor

RALEIGH

Just a little more than half, or 57.1 percent, of students who enter high school in North Carolina graduate four years later. The number has fallen steadily over the last decade, leaving North Carolina 40th in the nation for high school graduation rates. In 1990-91 about 67 percent of students graduated on time in North Carolina.

Other states are not doing much better. The national average retention rate is 67.2 percent and most of the Southeastern states fall below the national average. Mississippi, Florida, Alabama, Louisiana, Tennessee, South Carolina, and Georgia all had lower graduation rates than North Carolina. Not all states are doing so poorly. Nebraska held the lead in 1999 with more than 86 percent of its students graduating on time.

With no signs of improvement in the near future, legislators and education officials with the Department of Public Instruction are looking for ways to keep more children in school and on track.

Children who are prone to dropout have been targeted as students that:

- Repeat at least one grade
- Live in single-parent or low-income homes
- Have siblings who dropped out
- Are Hispanic
- Fail end-of-course tests

In 1998, the General Assembly took a step to reduce the number of dropouts by revoking the driver's licenses of students who drop out of school or fail to pass at least 70 percent of their classes. The Division of Motor Vehicles is now allowed to revoke the driver's licenses of students who drop out and fail to continue their education through other means. The law, which has been effective since Aug. 1, 1998 has revoked a total 12,342 licenses.

Despite the hoped-for success from the bill, little has changed. The North Carolina graduation rate has not changed dramatically in the last three years.

This spring, N.C. Superintendent Mike Ward decided it was time to demand teenagers to stay in school. Ward asked the state to consider extending compulsory attendance from age 16 to age 18. Consideration of the idea has started and it is being accepted readily by education officials.

In a presentation to the Education Oversight Committee, Jim Watts, former legislative education researcher, and other DPI employees said more dropouts would equate to an impoverished state. In the meet-

ing, Watts told legislators that extending the compulsory age would be the best alternative to take.

It's "the right thing to do, but you have to do it the right way," Watts said. His proposal includes a comprehensive approach over a five-year period to work schools and students gradually in the right direction. The best way, Watts said, would be to expand the educational alternatives available to students. Improving the GED program, expanding technical high school centers, and offering advanced students the option to take college coursework while enrolled in high school would all make the process flow smoothly.

Watts also proposed that the committee should consider transforming middle and high schools. Watts proposed reduction of the number of tracks for graduation to two basic diplomas: college prep and a challenging tech prep program. "The rest are all dumbing tracks," he said.

Watts also asked legislators to consider eliminating low-level coursework and allowing kids the option of graduating in three years.

## Keeping kids in school

Burke County has been recognized nationally for a program to discourage students from dropping out. Burke Alternatives to Suspension, commonly referred to as BATS, helps keep suspended students off the streets and in the classroom and at a small cost to the district.

"The students who have been suspended have the opportunity to go into the community and help out while keeping up with their schoolwork," said Judy Lowery with Burke County Schools.

If a student is suspended in Burke County, schools officials bring both the parents and the student together and offer them two options. The first is the traditional suspension that often causes students to miss a lot of schoolwork and eventually give up and quit school. The second is BATS. Students in BATS have the opportunity to choose between 14 nonprofit agencies to perform volunteer work during the suspended school days. They also devote a portion of their day to completing school assignments.

County officials say the program is successful. Students can continue their schoolwork and credit is given for school attendance. County officials said other benefits include the increased mentoring relationships between adults and students. CJ



*A Children's Scholarship Fund Spotlight***Focusing on the Needs of the Children, Not on the School System**

By ANGIE VINEYARD

Guest Contributor

CHARLOTTE

Last November, Donna, 18, and Buddy, 16, found themselves in a difficult situation. The brother and sister had suffered many personal hardships and their parents were no longer in the picture. As students at Sun Valley High School in Union County, they were forced to juggle part-time jobs to make ends meet and move to Mecklenburg County. A relative reported them as not living in the proper school district and they were faced with a difficult situation: either pay \$1,000 in tuition to remain at Sun Valley High School or begin attending Butler High School in Mecklenburg County.

Donna and Buddy's dilemma is just the kind of situation the Charlotte-based Children's Scholarship Fund strives to help solve. Having provided more than 500 partial scholarships in Charlotte to students of low-income families, CSF makes true educational choice possible. Parents play a significant role in their children's education and CSF requires them to fill out paperwork and stay on top of the application process.

But since Donna and Buddy were completely on their own, they didn't know CSF even existed. That's when Dr. Ed Davis stepped in.

"He's a very kind-hearted, caring individual," said School Counselor Beverly Adams of the assistant superintendent of Union County Schools.

Davis contacted CSF and asked whether anything could be done for Donna and Buddy. Since there was no way the teenagers could afford \$1,000, school officials feared that CSF was their only hope.

"Buddy had already said he was going to drop out," Adams said. "When a kid has had that much stress, sometimes one thing can push them over the edge."

Donna had been active in her school's DECA program, even competing on the state level, and Buddy had found his niche on the school's wrestling team. Their ties to Sun Valley High School were crucial, giving them much-needed consistency and stability. To them, the idea of starting a new high school was unthinkable.

"The school system called me," CSF Director Lindalyn Kakadelis said. "They had heard about CSF and at that point in time I told other board members we were not close to helping children outside the school district."



The Children's Scholarship Fund enabled Donna and Buddy to stay at Sun Valley High School.

Because the nonprofit group's funds are restricted primarily to students in kindergarten through the eighth grade, typical CSF scholarships weren't possible for Donna and Buddy. So Kakadelis took the situation to her steering committee and explained the dilemma.

"They were going to have to leave at a crucial time," she told them "simply because of a county line."

The steering committee members decided to raise the funds themselves, and within days, the tuition was available so Donna and Buddy could remain at Sun Valley High.

"They absolutely were the answer to their prayers," said Adams of

CSF. "Buddy would have truly dropped out of school. He was doing well. If he had to go to a new school where he didn't have friends, wasn't able to wrestle, it would have set him in the worst depression possible. There is no way they could have come up with that money. It was taking all they had just to pay their rent and food and transportation."

Not only does Donna and Buddy's story show an overwhelming need to have true school choice, but it shows a slow but steady paradigm shift that is taking place within the public school system. Public educational providers are finally realizing they must give parents better options.

"It boggles the mind that we screen choice and options in every walk of life except this one," Kakadelis said. "I think

"some people in the public school arena see us as competition. They don't want to give us any credibility. They don't tell people about us."

In 26 years as an educator, Kakadelis has seen success stories with educational providers. She's also seen horror stories.

"Every one of them has problems," she said. "We need to find the right niche for the child and not try to make the child fit into the system."

Having served on the Charlotte-Mecklenburg School Board for six years, Kakadelis remains a strong proponent of their public school choice plan. "I am very excited about what CMS did," she said. "It shows they're changing their thinking."

But as much as Kakadelis supports the public school system, she still doesn't see CSF as their partner.

"I see CSF as a partner with parents. I never see us partnering with any school or any system. We are a partner with parents."

Thanks to CSF, Buddy will finish his junior year and Donna will graduate from Sun Valley High School with plans to attend the University of North Carolina — Charlotte this fall as a marketing major.

For Kakadelis, theirs is one more success story in a growing list of children who have choices. "The student is the focus," she said. "If that means crossing county lines, let's do it! Let's make students the focal point, not the system."

For more information about CSF or how you can sponsor a child, call (704)373-2378.cj

**A relative reported them as not living in the proper school district and they were faced with a difficult situation...**

## Advertisement for John Hood's Book

**CAROLINA  
JOURNAL**

### Weekly Report for Executives

*Carolina Journal Weekly Report for Executives* is your antidote to watered down media coverage of state politics and policy. North Carolina has hundreds of newspapers. But from those hundreds of papers, only a handful of reporters are assigned to Raleigh. And how many of them do you think write from a free-market frame of mind?

In *Carolina Journal Weekly Report*, you get unfiltered weekly coverage of state government from experienced reporters who have actually read the *Federalist Papers*. Our reporters attend committee meetings and interview lawmakers face-to-face, so you get the stories first-hand. To subscribe, email [cjwr@johnlocke.org](mailto:cjwr@johnlocke.org) or call (919) 828-3876.

## Bats in the Belltower

Previous issues of *CAROLINA JOURNAL* have already detailed how members of the University of North Carolina Association of Student Governments finagled for themselves the UNC Board of Governors' approval of a 66-fold budget increase. The increase would be paid at UNC students' expense.

A few weeks after getting its budget increase approved, the UNCASG was able to find an additional \$10,000 for its new, bigger, student-funded budget. Now the UNCASG plans to impose a new fee on summer-session UNC students.

UNCASG's "Finance Committee" approved the new scheme in a closed-door meeting. By conducting the meeting in secret, the UNCASG earned a lashing by the editors of *The Daily Tar Heel*, who accused them of "open[ing] up an assault on North Carolina's open meetings law." *DTH* editors called members of the UNCASG "ignorant student politicians."

Now there is a scramble within the UNCASG for the organization's top leadership position, a job that would pay its student occupant \$4,000 (a figure that is nearly twice the group's entire budget last year).

Leading candidates for the job are Greg Drumwright, student body president of N.C. A&T State, and Jonathan Ducote, an N.C. State student who serves as UNCASG's treasurer.

James Haltom of UNC-CH, UNCASG's vice president of public affairs, was pressured to pull out of the race because of his criminal record. Haltom was charged with felony inciting a riot for his involvement in an incident in which a car was flipped over on Franklin Street in Chapel Hill after a UNC-CH victory over Duke University in men's basketball February 2001. He was fined \$3,000 and ordered to perform 125 hours of community service. Halsom had been charged with misdemeanor larceny in 1999, but that charge was dropped.

Past leaders of UNCASG also had spotty records. Cliff Webster resigned as UNCASG president in 2000 over his criminal record of one charge each of misdemeanor larceny and felony larceny. Nick Mirisis resigned as UNCASG president in 1999 after admitting to plagiarism.

It is important to state at this time that the UNCASG is not ostensibly a training ground for future corrupt politicians seeking pork and graft. It is important to reiterate that the UNCASG purports to work in the interests of the students, especially to lower student costs. CJ



## Investigation finds professor acted appropriately

## N.C. State Vindicates Professor Accused Of Fostering a Racially Hostile Climate

By JON SANDERS

Assistant Editor

RALEIGH

Administrators and professors at North Carolina State University have come to the support of embattled Professor Philip Muñoz. Muñoz's Political Science 205 class on Law and Justice was the site of an alleged racial attack Feb. 19, when a white female student, angered by the heated comments made about America and its treatment of blacks by a black student, Najja Baptist, told Baptist "go back to Africa."

At the time the comment was made, Muñoz, who had not long entered the classroom and had not yet started the class, stopped their argument and said that class discourse would be civilized and academic. Baptist took Muñoz's comments to be aimed at himself and not at the girl or the two of them, because he said Muñoz looked at him when he said it.

Baptist also alleged he was racially attacked in the following class, on Feb. 21, when fellow student Derek Hardesty called him a "f— yuppie." In a *Technician* article, Hardesty did not deny calling Baptist a "yuppie," but he did deny he used profanity. He also said he apologized to Baptist after the class, offered to take him to lunch, and left thinking they would resolve the misunderstanding. But Baptist said he refused because he "wasn't going to lunch with someone who made a racial slur against me."

Baptist organized a silent protest against Muñoz's class, having 15 students who weren't class members line the wall of the room and pass out flyers denouncing the racial climate in the class. Baptist later filed grievances with the Office of Student Conduct and Office of Equal Opportunity, choosing against filing a grievance with the College of the Humanities and Social Sciences, which contains the Political Science Department. Baptist did so upon the advice of his adviser, Professor Floyd Hayes, an associate professor of multidisciplinary studies. Hayes told the *Technician* that going to CHASS "makes no sense" because "they are biased against Najja." The grievances allege that Muñoz, Dr. James Svara, head of the political science and public administration department, and Dr. Monica Leach, assistant dean and director of diversity programs within CHASS, failed to respond promptly and appropriately to the comments, and that Muñoz fostered a racially hostile climate in his class.

Hayes told *Technician* that had Muñoz specifically denounced the white female's comment as racist, "there would be no cause to criticize the department." Hayes appeared on WKNC's "The Boiler Room" and called for actions to be taken against the students who offended Baptist. "These students need to be suspended, severely reprimanded, or placed on some kind of probation for a period of time," he said.

University officials pledged from the outset to look into the matter and stressed the importance of civil discourse. On "The Boiling Room" CHASS Dean Linda Brady said the goal was to "engage controversial issues in a way that does not personalize those issues and that conversation." In an open letter to the N.C. State community, Stuart L. Cooper, provost and vice chancellor for academic affairs, and Thomas H. Stafford, vice chancellor for student affairs, discussed how university officials were



Philip Muñoz, political science professor at North Carolina State University.

continuing to "investigate all complaints according to the existing and appropriate procedures." In remarks delivered at the "Campus Dialogue on Race" that university administrators put together with civil discourse in mind, Chancellor Marye Anne Fox said, "N.C. State University recognizes that all forms of harassment and discrimination are incompatible with its values and goals and will not be tolerated..."

## "Deal" with white supremacy

In addition to holding rallies, writing articles in *The Nubian Message*, and appearing in various media about the incident, Baptist also passed out fliers entitled "Break the Silence! Racially hostile atmosphere tolerated at NCSU: The case of Najja Baptist." The flier put forth Baptist's and Hayes' versions of the events. It tells readers Hayes suggested to Muñoz that:

- His "entire class needs to deal with the issue and meaning of white supremacy—its imbeddedness in American culture, institutions, and social practice;"

- "Svara states that Muñoz made it clear the white female student's [named elsewhere in the flier] remarks were unacceptable;"

- Hayes and Baptist declared a March 19 meeting with Muñoz, Svara, Leach, and Dr. Rhonda Sutton, coordinator of harassment prevention programs at N.C. State, to be "unproductive and a waste of time;"

- Hayes "alludes to the manner in which the framers of the U.S. Constitution and various Supreme Court rulings established a white supremacist polity in America, which also created black people as subpersons with no rights" in arguing that "N.C. State officials are re-inscribing and re-establishing Chief Justice Roger Taney's 'maledictum' in *Scott v. Sanford* (1857) that black people possess no rights that whites are bound to respect."

The flier also stated, "It is not a question of whether or not one is racist; rather, it is a question of whether or not one is actively antiracist" and "This ain't over. Red is the color of our blood. Red is the color of our rage. Red is the color of resistance. We're seeing red, and now they will, too. Wear red for Pan-African Week, April 8-12, and attend the Pan-African Week events. We'll be there. More shall be revealed. This ain't over."

In early May, Brady announced the results of the investigations. The charges

against Muñoz, Svara, and Leach were "unfounded" and "unsubstantiated by information gathered during the course of the investigation," investigators said. Brady said, "Muñoz, Svara and Leach acted promptly, appropriately and within their spheres of responsibility to address comments that were made on Feb. 19 and 21 as soon as the comments were made or became known to each of them. These individuals responded in a way that clearly indicated that personal attacks and intimidation would not be tolerated in the classroom."

Brady said, "The verbal exchanges that occurred have not created a racially hostile environment in the classroom. Professor Muñoz has encouraged full participation from all students in the class and supported the participation of individual students. As discussed above, after stating his standards for discourse in the class on Feb. 19 and Feb. 21, he elaborated the standards for class discussions on Feb. 26 and again on Feb. 28. Professor Muñoz has continued to lead the class in challenging discussions about controversial public policy issues. All students involved in the verbal exchanges that have occurred continue to attend class and participate in these discussions."

"Ideas must be challenged constantly in an atmosphere in which we use reasoned arguments to explore the multiple sides of every question. That's what college is all about," Brady said. "If we cannot address issues in this way on a university campus, then we cannot expect to deal with issues constructively in society at large. Students may experience some discomfort in this kind of dialogue, but it is important that dialogue occurs. Every student and faculty

member must be free to express his or her views, under the protections of academic freedom and the First Amendment and within the bounds of civil discourse. Professor Muñoz has upheld these principles in the execution of his responsibilities as an N.C. State faculty member."

In a nod to Baptist's publicity efforts, Brady wrote, "Other members of the N.C. State community have publicly presented their version of the facts of the case," but, "Neither I nor the CHASS faculty members and administrators involved in the incident could speak until now" about it "because of our commitment to the integrity of the processes in place within the university and the need to protect the privacy of all persons involved."

Muñoz and Svara received a public statement of support from the political science faculty. The faculty wrote that they "consider Professor Muñoz a gifted teacher and scholar and Professor Svara a leader of unimpeachable integrity. We believe that both men dealt with the above mentioned incident in a wholly appropriate and professional manner."

The statement was signed by Sanford Kessler, Michael Vasu, Abraham Holtzman, Charles K. Coe, Roland Stephen, Michael Cobb, Robert Moog, Nicole Darnall, James E. Swiss, Philip Pavlik, Marvin S. Soroos, Dan W. Figgins, A. Taylor, G. D. Garson, W. A. Boettcher III, Traci V. Reid, Elizabethann O'Sullivan, and J. Oliver Williams. CJ

*"It is not a question of whether or not one is racist; rather, it is a question of whether or not one is actively antiracist."*

## Sen. Metcalf's Job at Western Carolina Triggers Charges of Conflict of Interest

By PAUL CHESSE  
Associate Editor

RALEIGH  
State Sen. Steve Metcalf, D-Buncombe, began a new job as director of local government relations for Western Carolina University in January, and since then criticism has mounted about potential conflict of interest between his roles.

Calls for Metcalf to either resign from the Senate or drop his university position stem from perceptions that he would have the ability to wield political influence in the legislature on behalf of WCU. And, because his new job includes assisting local governments and regional non-profit groups promoting economic development, critics believe his influence could favor the sending of state dollars toward projects in which he maintains direct interest.

"It's an obvious conflict of interest, in my opinion," said State Sen. Bob Carpenter, R-Macon, who serves with Metcalf on Appropriations, Commerce and Rural Development committees.

"Lobbying for the universities is a highly refined system," Carpenter said. "If you're in the Senate, how are you going to react when someone asks for money? It puts you in a position where he has to make a decision one way or another, and people are going to ask him about it."

Most who believe Metcalf has a conflict of interest, including Carpenter, emphasized they are questioning the appearance and perception of his two positions, and not his personal ethics and integrity.

"There are two ways to look at a conflict of interest: perception and legal," said Sen. Phil Berger, R-Rockingham. "I don't know if there's a legal problem, but I do feel it creates the impression that there is a conflict." Berger also serves with Metcalf and Carpenter on the committees.

Berger said the larger question was how, in the midst of the state's \$1.5 billion budget shortfall, the university was able to create a \$95,000 position for Metcalf.

"For the constituents I talk to, they read about a new job being created for someone," Berger said, "and their question is 'do we have a money problem if a branch of government can create a position at \$95,000 a year?'"

"I think that just illustrates the validity that we have a spending problem and not a revenue problem."

Clifton Metcalf (no relation), vice chancellor for advancement and external affairs at WCU, said the new position resulted from last year's reorganization of the school's Mountain Resource Center, which is now called the Center for Regional Development. "It's not new money," said Clifton Metcalf, who also began working at WCU in January. "It's a collapse of other positions into this new organizational structure that provided the money."

"We realized we needed some stronger leadership, and we used some funds out of that reorganization to fund that position, in part." The vice chancellor said Steve Metcalf,

after his first year at WCU, is required to raise 25 percent of his salary each year.

### Others issues surround hiring

The university advertised for the local government relations last fall, and at the time Tom McClure, acting vice chancellor for advancement and external affairs, chaired the search committee for the job. Now McClure is WCU's director of state and federal relations, with part of his responsibilities as a liaison between the university and the state legislature. Theoretically McClure could lobby his own hire and now co-employee on behalf of WCU.

"[McClure] was acting in my job at the time," said Clifton Metcalf. "That's the position he would have been in when the search went on."

Clifton Metcalf said Steve Metcalf was chosen from among 12 candidates, and the search committee concluded unanimously that he was the most qualified for the job. Steve Metcalf was Buncombe County manager from 1989 to 1993, and later worked in state government, where he reported directly to Gov. Jim Hunt. Between 1996 and 2000 he was a partner in a management and research firm that had consulting contracts with municipalities in multiple states, and Steve Metcalf had direct oversight over several projects for western North Carolina counties and towns.

Steve Metcalf wasn't approved by the University of North Carolina system Board of Governors, as was required, until their meeting March 6 in Chapel Hill, more than a month and a half after he began work at WCU. According to meeting minutes, the Board of Governors approved petitions by Metcalf to allow him to continue political activity while maintaining university employment.

"That wouldn't be unusual; he wasn't an employee until January 14," Clifton Metcalf said. "We did it promptly."

Steve Metcalf wasn't available for comment for this story, but he has defended his dual roles by saying that he doesn't serve on any education committees and that other state employees serve in elected office. Rep. Paul Luebke of Durham is a professor at the University of North Carolina at Greensboro, for example.

But at least two newspapers' editorial boards disagree. *The News and Observer* of Raleigh and the *Salisbury Post* have both called for Metcalf to resign one of his positions.

Ted Arrington, a political scientist at UNC-Charlotte, said the economic development and appropriations committees Metcalf serves on in the General Assembly add to the "obvious" conflict. "If he wants to recuse himself from those committees, then he's not serving his constituents," Arrington said. "That's why it should be avoided. His constituents deserve a voice on those matters. 'Appearances are important in politics, because the public has to have trust. Conflicts undercut that confidence.'" CJ

## Universities Cannot Justify Racial Preferences For Remediation, Virginia Attorney General Says

By JON SANDERS  
Assistant Editor

RALEIGH  
Racial and ethnic preferences in admissions and scholarships at Virginia public universities can no longer be justified on the basis of remedying past discrimination, according to a memorandum issued by the office of the Virginia attorney general.

The memo, written by State Solicitor William H. Hurd and dated April 22, was sent to all Virginia state universities. A recipient sent it to the Center for Equal Opportunity, which placed the memo on its website, www.ceo.org.

"Any analysis of race-conscious measures by a public institution must begin with the 14th Amendment," Hurd says, "which provides that States shall not deny to any person 'the equal protection of the laws.' In interpreting this constitutional guarantee, the U.S. Supreme Court has ruled that any attempt by States to classify citizens based on race is inherently 'suspect' and is subject to 'strict scrutiny' by the court." Hurd writes that the strict-scrutiny test means that a program must "serve a compelling state interest" and "be narrowly tailored to further that interest."

Hurd writes that "remediation — i.e., eliminating

present effects of past discrimination — qualifies as a compelling state interest." But a review of recent court rulings and Virginia's recent attention to those matters leaves the office of attorney general "unaware of any facts or any credible legal theory that would support the use of race-conscious programs — for remedial purposes — at any of Virginia's public institutions of higher education."

Nevertheless, Hurd writes, there might be support for them for "diversity purposes," although whether they might be narrowly tailored is a concern. Hurd suggests universities try to "identify measures that will promote diversity without engaging in racial discrimination," and concludes by saying that the attorney general's office was "prepared to work with institutions of higher education in identifying and evaluating race-neutral alternatives that promote genuine diversity."

CEO President Linda Chavez called the memo "a giant step toward getting rid of the racial and ethnic discrimination that exists at too many Virginia state schools." Nevertheless, she criticized it for leaving open the possibility of discriminating under a diversity rationale. Chavez said Hurd "should have made it clear that such discrimination cannot be justified under any circumstances." CJ

## Snoop Doggy, Yes But Madison, No

By GEORGE C. LEEF  
Contributing Editor

RALEIGH  
The dumbing-down of American education has been apparent for years. A recent piece of evidence confirming this sorry trend is a study done by the Arizona Association of Scholars. It shows that seniors at the three state universities in Arizona are weak in general knowledge across a wide spectrum of academic fields.

A group of Arizona professors and staffers from the Goldwater Institute (a free-market think tank) devised a test consisting of 40 questions covering science, literature, quantitative reasoning, history, the arts, and civics. Seniors were invited to take the test, and if they did so, were paid \$5 plus 50 cents for each correct answer. The students thus had an incentive to take their time (up to two hours) and try their best. Each question was given in a multiple-choice format with four possible answers.

How did the students do? The authors of the report say, "The vast majority of students surveyed earned a failing grade on our test of general knowledge and reasoning." The average score was 53 percent. Just by random guessing, students would be expected to get 25 percent. Clearly, those college seniors had not absorbed much general knowledge during their educations.

The question that was most often missed was this: Who was the father of the U.S. Constitution? Only 14 percent of the students correctly answered that it was James Madison, rather than Washington, Franklin, or Jefferson. Another disastrous question for the students was one involving simple probability: If there are two different pairs of socks in a drawer, what is the probability of picking a matched pair by randomly choosing socks? Just 16 percent could see that the answer is 1/3.

While the students had trouble with history and math, they're whizzes when it comes to pop culture. A stupendous 93 percent correctly identified Snoop Doggy Dog as a rap singer.

Well, so what? Does it really matter if few students know much about our history, about quantitative reasoning, about science? After all, people specialize these days. The authors of the Arizona report have a good answer. They observe that a shared body of basic knowledge — about our history, about the world around us, about the process of reasoning — is important to a civil society. It's the cement that holds it together. Yes, people specialize and have always done so, but in the past, most Americans had a common education that helped us to understand each other.

We are slowly losing that shared body of knowledge. As the authors write, "there is no requirement that graduates obtain a well-rounded education." (I would add that most Americans used to get that well-rounded education at the high school level, but now relatively few do.) Most colleges used to have a solid core curriculum that was meant to ensure that students received a good general education in addition to the deeper study in their major. That's no longer the case. "Even at the undergraduate level, our universities are glorified professional schools where each student leaves knowing the lingo of his or her chosen field, but having little shared culture with educated society as a whole," the study concludes.

Maybe Arizona is a unique case, but I doubt it. The evidence all points to a nationwide deterioration of general education in our colleges and universities. At many schools, students have enormous latitude in setting their own curriculum, and they tend to choose courses that are fun and easy.

Wouldn't it be interesting to do a similar study in North Carolina?

George C. Leef

## Course of the Month

## College Credit — Just for Signing the Registration Form!

The student body president-elect at the University of North Carolina at Chapel Hill, Jen Daum, has already turned her important political capital into developing this month's honored course.

Shortly after winning the glorified popularity contest to be the UNC-CH administration's chief shill, Daum announced her plans to develop a course to teach students how to lobby the legislature. As reported by *The Daily Tar Heel* March 8, "Daum said students' lack of knowledge about lobbying is a major reason why the university's governing bodies have not been receptive to students' concern in matters like the recent tuition proposals."

Daum told the *DTH* concerning the students in the course, "We'll be going to Raleigh and putting our newfound skills to work." She also said that she planned to spend Spring Break planning the course.

On April, in a letter to the *DTH*, Daum announced that the class was formed:

*Are you concerned about budget cuts? Want to make sure higher education remains a state priority?*

*Then take POLITICAL SCIENCE 99, "LOBBYING FOR HIGHER EDUCATION."*

*This course will start Tuesday in 301 Bingham Hall from 3:30 p.m. to 5pm. Political science Professor Thad Beyle will lead the first class, going over the nuts and bolts of the legislature and lobbying.*

*The next five classes will be similar in format, with a different group presenting at each session.*

*Lecturers and presenters include Democracy South, former and current university relations directors, former Student Body President Nic Heinke and others.*

*It promises to be informative and interesting and will educate us on how to best preserve our education in these times of budget crisis.*

*Dates for the class are Tuesday, April 16; Thursday, April 18; Tuesday, April 23; Thursday, April 25; Tuesday, April 30; and Thursday, May 2.*

*All classes will be held from 3:30 p.m. to 5pm in 301 Bingham Hall.*

*All students are invited to come to as many sessions as they would like.*

*You must attend five of the six sessions to receive one hour of academic credit.*

*There will be no final papers or presentations, but you are invited to come this summer and help student government with its lobbying efforts!*

Two days later, the *DTH* wrote about the course in more detail:

"Daum said the remaining speakers for the class will include Mark Fleming, assistant to the chancellor for government relations at N.C. State University; Peter Walz from Democracy South; Nic Heinke, former student body president; Lee Conner, former Graduate and Professional Student Federation president; and D.G. Martin, former vice president for public affairs for the UNC-system General Administration."

Although Daum reiterated that students were "encouraged to go to Raleigh this summer to lobby the legislature about tuition hikes," not all of the 30 students attending the first session planned to do so. One student interviewed by the *DTH* said, "I need an hour credit. I don't know about lobbying, the budget, and politics in general. I'm just hoping to get some background."

The good news for that student is she doesn't even need to worry about getting the background. If they're on the registration form, they're getting their hour's credit, whether they attend five of the six sessions — by the way, the class requires neither homework nor exams — or not. As the *DTH* reported, "Beyle also said the Registrar's Office will assume that the students will finish the five-session requirement for credit."

Talk about your deals in education, folks. Wonder how legislators will react to calls for tuition breaks from students who get college credit for attending seven and a half hours' worth of lecturing and that's it?

Turns out student-designed and even student-taught courses aren't new at UNC-CH. Four students are teaching courses this semester, including one called "The Postmodern Comic Book." Ironically, budget problems almost put a crimp in them. They're offered through a program called "Carolina Students Taking Academic Responsibility through Teaching," or C-START. The program was receiving \$5,000 per year since it was started in 2000. Pledges from two UNC-CH professors, Bob Adler and Jan Boxill, will keep the program afloat after Provost Robert Shelton turned down Daum's request that his office fund the program. ("We don't want to just fund things *ad hoc*," Shelton told the *DTH* on April 29).

Putting students in charge of the teaching seems to be inviting trouble. Such as the trouble at the University of California at Berkeley, where "male sexuality" was the subject, and the class assignments included visiting strip clubs, watching an instructor engage in sexual intercourse, and taking part in orgies at an instructor's house. That's a far cry from reading comic books or signing a registration form for college credit, but as Berkeley has shown, it's not that far down the slippery slope. *CJ*



## Epidemiology Department Invites Leftists to Talk on 'War Economy'

By JON SANDERS  
Assistant Editor

RALEIGH

At UNC-Chapel Hill on April 19, the Department of Epidemiology sponsored an event entitled "The New War Economy: Who Will Pay?" The keynote speaker at the event was neither an economist nor a professor of epidemiology — he was Professor Robert Jensen, a journalism professor at the University of Texas at Austin, who specializes in media law, ethics, and politics. Jensen is author of *Writing Dissent: Taking Radical Ideas from the Margins to the Mainstream* (Peter Lang, 2002).

Jensen's claim to fame appears to be his status of being criticized for his opinion on the terrorist attacks of Sept. 11. On Sept. 14, Jensen wrote in the *Houston Chronicle* that the attacks were "no more despicable than the massive acts of terrorism... that the U.S. government has committed during my lifetime" and "my anger is directed not only at the individuals who engineered the Sept. 11 tragedy, but at those who have held power in the United States and have engineered attacks on civilians every bit as tragic." Shortly thereafter, Larry K. Faulkner, president of The University of Texas at Austin, wrote a letter to the *Houston Chronicle* in response, in which he said, "No aspect of [Jensen's] remarks is supported, condoned, or officially recognized by The University of Texas at Austin." Faulkner, noting that "The First Amendment is the bedrock of American liberty," also wrote, "Using the same liberty, I convey my personal judgment that Jensen is not only misguided, but has become a fountain of undiluted foolishness on issues of public policy."

Jensen criticized the U.S. war on terrorism, saying that the government was manipulating the emotional reaction to Sept. 11 and that the United States should have treated the attacks as criminal acts and asked the world for police action against al-Qaeda. "I didn't just feel emotion about the people who died in the World Trade Center in September," he said. "I felt overwhelmed by a feeling of sadness for what was coming."

Also speaking was Arjun Makhijani, president of the Institute for Energy and Environmental Research. Makhijani linked the war in Afghanistan to America's realization after the oil embargo of 1973 that the nation "did not control oil, the most important commodity in the world."

Two UNC-CH professors also participated. One was anthropology Professor Catherine Lutz, who participated in UNC-CH's first war teach-in on Sept. 17, where she declared that the parallel to Sept. 11 was not Pearl Harbor but the opening of the Cold War and compared Henry Kissinger to Osama bin Laden. For this teach-in, Lutz complained about the size of the U.S. military budget. She said that if the military budget were smaller, then "People who could have benefited from health research might still be alive today."

Associate Professor of Epidemiology Steven Wing said the new focus on bioterrorism preparedness in the field of public health had made the disparities in health care greater. He also suggested racial and class discrimination in the difference between government buildings shutting down under anthrax warnings while postal employees, many of whom are black men, were told to keep working. *CJ*

## WSSU Pays Leftist Danny Glover \$20,000 for Commencement Speech

By PAUL CHESSE  
Associate Editor

RALEIGH

Liberal activist and actor Danny Glover was paid \$20,000 for a commencement speech he gave May 11 at Winston-Salem State University. According to a statement released by the university, funding for the honorarium came from the university's general budget.

The school received more than \$28 million last year and more than \$30 million this school year in state tax funds.

In an interview with *The Nation* in 1999, Glover said, "I'd like to be in an organization that could set forth some sort of a left agenda; that's what I want to be involved in." A staunch supporter of Green Party candidate Ralph Nader in the 2000 presidential election, Glover also advocated overturning the death sentence of Mumia Abu Jamal, convicted of the 1981 murder of a Philadelphia police officer. Abu Jamal has become widely known for his Marxist writings from prison and has won the sympathies of many left-wingers for his claims of racial injustice.

"One of the main purveyors of violence in this world has been this country, whether it's been against Nicaragua, Vietnam, or wherever," Glover told an antideath penalty forum at Princeton University, according to *The Trentonian*. He later reiterated, "I've been an advocate for peace my whole life. But one of the main purveyors of violence in this world is this country." *CJ*

*The Trentonian* also reported that Glover, famous for his role as "a Los Angeles cop who guns down villains in the movies," said he got Warner Brothers to partially finance other films with pacifist themes in exchange for him performing "in films where he often ignores the rights of criminal characters."

Asked by *CAROLINA JOURNAL* why Glover was chosen to keynote WSSU's commencement, director of media relations Aaron Singleton said, "Speakers are chosen based on availability, notoriety, and the anticipated university/community interest."

"Well, it certainly doesn't sound like it's going to further anyone's education," said State Sen. Hamilton Horton of Forsyth County, who also serves on the Senate Higher Education Committee. "When you've got a commencement address, the last thing you want is an indoctrination from a person with a reputation for being immoderate."

Asked by *CJ* whether WSSU plans to invite a prominent conservative as commencement speaker in the near future, Singleton answered, "It is a goal of Winston-Salem State University to expose students to many educational experiences from news makers, writers, historians, entertainers, community leaders and philosophers. Consequently, the university embraces, on a consistent basis, opportunities for varying viewpoints expressed in a number of forums including commencement addresses." *CJ*

## Issues in Higher Education: A Liberal Education

**Today's Students Get to Dictate What Constitutes a General Education**

By JON SANDERS

Assistant Editor

RALEIGH

Universities ostensibly provide students with rigorous training to prepare them for their chosen field. There's more to it than that, however, because if it were only that, the students could skip the addled rigmarole that has become an accepted part of what's blithely called "the college experience" (which amounts to hazing or coddling, depending upon one's fealty to the campus's hair-trigger socialist bent) and go directly to a private provider of vocational training. Universities also purport to provide *life preparation*, turning students into citizens prepared not only to work but also to be leaders in their fields and communities.

Indeed, that is their reputation. It has been so earned through the centuries through universities' practice of teaching the liberal arts. The name derives from the Latin *liber*, freedom. As explained by Gene Edward Veith, Jr., and Andrew Kern in their 1997 monograph *Classical Education: Towards the Revival of American Schooling*, the ancient Greeks and Romans believed "a liberal education was necessary for a man to be free. Slaves would receive vocational training, but free citizens required an education that enlarged the mind and cultivated the soul."

The liberal arts originally numbered only seven disciplines (the *trivium* of grammar, logic, rhetoric, and the *quadrivium* of mathematics, music, astronomy, and geometry), Veith and Kern wrote, which prepared students for studying the sciences: "natural science (which included both the physical and the metaphysical), moral science (which included history, politics, and law), and theological science (the study of religion and first principles)."

The idea of a liberal education naturally expanded with newer disciplines, but its idea remained relatively intact at universities (often considered the "general education" portion of the collegiate education) until about midway through the last century. Several critical changes took place that greatly affected universities to their cores: The G.I. Bill expanded college opportunities to thousands of servicemen, the land-grant universities grew in prominence, the Baby Boom generation greatly increased the number of students enrolled (helped by promise of draft deferments during the

Vietnam War), community colleges increased, and so forth. Meanwhile, the vision of the purpose of higher education began to shift from an elite class' proving ground to a more egalitarian notion of every student's logical next step in furthering his education. Tuition increases driven by this large shift in demand annually outstripped inflation. Concomitantly, public higher education began to rise in prominence.

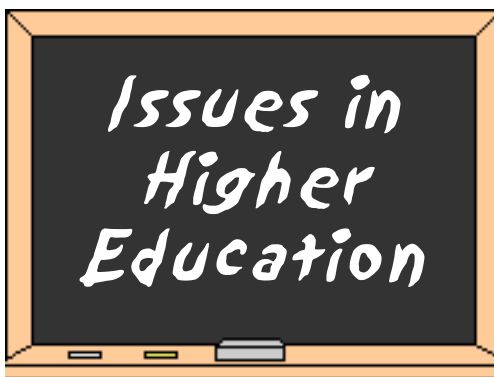
**Liberal education transformed**

During the tumultuous changes of the last half-century, the idea of a liberal education also changed. Many of the new order of college students didn't care for academic rigor; they wanted their degree, because after all, they're paying for it. Their attitude was, *The customer is always right*, and universities, by and large, agreed.

Paul Trout wrote about this new student class in his Spring 1997 *Academic Questions* article, "Disengaged Students and the Decline of Academic Standards":

*"They do not read the assigned books, they avoid participating in class discussions, they expect high grades for mediocre work, they ask for fewer assignments, they resent attendance requirements, they complain about course workloads, they do not like 'tough' or demanding professors, they do not adequately prepare for class and tests, they are impatient with deliberative analysis, they regard intellectual pursuits as 'boring,' they resent the intrusion of course requirements on their time, they are apathetic or defeatist in the face of a challenge, and they are largely indifferent to anything resembling an intellectual life."*

Having changed with the times so that they enrolled so many "disengaged students," universities were faced with having to change their academic structure to suit their tastes. Thus the academy began to relinquish its role as arbiter of what constitutes higher learning in order to provide students with a scavenger hunter's list of suggested classes before turning them loose into a bazaar of course offerings. The *trivium* was replaced with the trivial as navel-gazing academic disciplines cropped up fea-



turing gender, ethnic, and sexual-preference "studies" classes taught by professors of the corresponding gender, ethnicity, and sexual preference, and "pop culture" (the study of what's popular *today* — *People* magazine, Ph.D.) classes dis-

placing the study of history and classic works of art, music, and literature.

Also, as academic disciplines multiplied, new theories of instruction were proposed, with increasing politicization. As Roger Kimball wrote in the introduction to his 1990 book *Tenured Radicals: How Politics Has Corrupted Our Higher Education*, "while there are important differences and even struggles among these various groups, when seen from the perspective of the tradition they are seeking to subvert—the tradition of high culture embodied in the classics of Western art and thought—they exhibit a remarkable unity of purpose."

These groups make up what author Frederick Crews called "Left Eclecticism," which all have "an understanding, ultimately borrowed from the Marxist ethos, that analytical and theoretical discourse is to be judged primarily by the radicalism of its stance. The schools of thought thus favored make sharply divergent claims, yet

all of them set themselves against allegedly repressive Western institutions and practices."

The problem by century's end had become so widespread and well-known that the Intercollegiate Studies Institute found publishing success with multiple volumes of its guidebook, *Choosing the Right College: The Whole Truth About America's Top Schools*. The guidebook was purposed to help students and parents find, in the words of William J. Bennett, the "important and impressive academic departments, professors, and universities [that] still exist" given that "The widespread abandonment of academic standards and moral discipline, the politicization of all aspects of campus life, and the deconstruction of academic disciplines have devastated the traditional mission of the liberal arts curriculum."

"In too many classrooms, radical professors teach their students that Western thought is suspect, that Enlightenment ideals are inherently oppressive, and that the basic principles of the American founding are not 'relevant' to our time," Bennett writes. "The result is not education, but confusion—over the importance of knowledge, the universality of the human experience, the transcendence of ideals and principles. In the end, the central problem is not that the majority of students are being indoctrinated (although some are), but that they graduate knowing almost nothing at all. Or worse still, they graduate thinking they know everything." CF

**cartoon goes here**



**A New Web Site Providing a State Perspective  
on 9/11 and the Current International Crisis  
From the John Locke Foundation**

*Recent Articles and Columns Spotlighted on NCAatWar.com Include:*

¥ Military historian Victor Davis Hanson argues that the Western way of war and Western notions of freedom and civilization are proving their worth.

¥ Moderate Muslim clerics preach peace in Durham and Greensboro while a former Black Panther leader calls First Lady Laura Bush a murderer at Duke.

¥ North Carolina's economy, hurt further by wartime deployments, awaits help from Washington, where disagreements about tax cuts block a stimulus bill.

¥ Dr. Andrew Taylor, NCSU Political Scientist, on the likely impact of the war on North Carolina politics and the U.S. Senate race.

¥ As U.S. Marines from Camp Lejeune participate in military action near Kandahar, Seymour Johnson airmen prepare for deployment to the Mideast.

¥ Gov. William Yarborough, former head of Special Warfare Center at Ft. Bragg, distinguishes terrorism from legitimate armed resistance.

¥ Locke Foundation President John Hood argues that North Carolina short-lived anti-war movement unknowingly exposed its own fallacies.

*For the latest news, analysis, and commentary on the war on terrorism, visit what National Review once named its Cool Web Site of the Day located at [www.NorthCarolinaAtWar.com](http://www.NorthCarolinaAtWar.com) or [www.NCAatWar.com](http://www.NCAatWar.com).*

## Town and Country

• Update: In the April issue of *CJ* we reported on a few of the many scandals in Wilmington government. In that article we noted that Kent Chatfield has been the chief whistleblower in many of the scandals. Most of the scandals have surrounded Wilmington Housing Finance and Development, which, among other things, allegedly violated several laws (see April issue).

Newly appointed City Manager Ed Fare has now confirmed that WHFD is under investigation.

Just before the last general election which swept in an almost entirely new city council, Chatfield's home was raided by local police and, according to him, the police planted two marijuana cigarettes on his coffee table. The police proceeded to write him a ticket for possession.

However, when the officers departed the Chatfield residence, the police left behind their casebook on Chatfield. The book had curious references to WHFD contained in it.

The police said that they raided his house via a tip, received by phone, that Chatfield was using drugs in his home. Chatfield maintained that the police were sent because he tried to do the right thing by uncovering wrongdoing at WHFD.

*CJ* has seen the casebook. It is unclear why the police saw fit to connect Chatfield's name to the WHFD scandal on a call that was supposed to be the result of a tip concerning drug use.

After several court continuances, the matter was dismissed because the officer who wrote the ticket volunteered for active duty in the armed services. Since the officer in question could not testify, the case could not proceed.

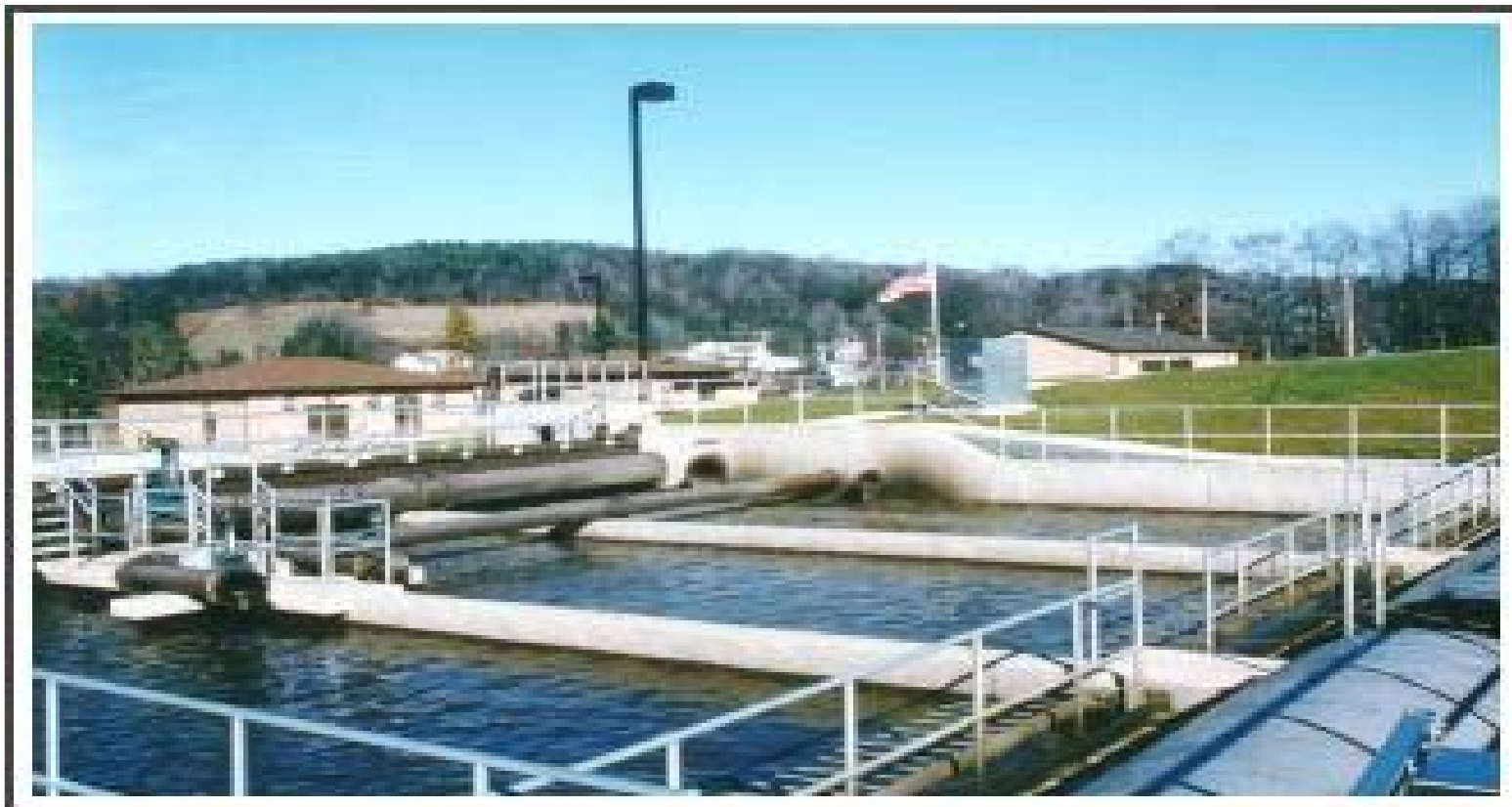
More recently, Chatfield filed a lawsuit against the city for conducting business and passing public policies outside public view. In other words, the city council passed policies in private meetings. When Chatfield discovered this, he sued city officials, in part, for violating open meeting laws.

The city tried to have the suit moved to federal court, but Chatfield, acting *pro se*, defeated the city in court and had the case remanded back to state court.

In the meantime, Assistant City Manager Ted Voorhees apparently secured a job with the City of Durham. When this was printed in the local press, Chatfield called the Durham city manager's office to thank the city for hiring Voorhees away from Wilmington. Chatfield has maintained that the city manager's office in Wilmington was complicit in, and had knowledge of, alleged WHFD wrongdoings.

During a court-ordered settlement conference between Chatfield and Assistant City Attorney Delores Williams, Voorhees burst into the room, pointed a writing utensil at Chatfield and proclaimed "you got a lot of nerve calling the City of Durham you son of a b---. I just might sue you."

Williams had "no comment" about the incident, yet she never denied it happened. *CJ* has learned that Voorhees' conduct has been reported to his supervisor. *CJ*



The wastewater treatment plant in Ridgway, Pa., was designed by a private company, Hill Engineering.

### Think tank issues new report

## Privatization Bails Localities Out of Water Woes

By ERIK ROOT  
Assistant Editor

Most cities and counties in North Carolina complain about rising water and sewer costs, but a recent policy report issued by a California think tank addresses the concerns of local governments seeking to update their systems.

Much of the cost is driven by federal regulations on water quality, according to the report by the Reason Public Policy Institute of Los Angeles. However, recently the federal government relaxed many of the regulations that limited local governments' involvement in long-term private-public partnerships. Now, localities may enter into agreements for up to 20 years.

The Environmental Protection Agency estimates it will cost \$150.9 billion to update municipal water systems across the nation over the next 20 years. The American Water Works Association predicts the bill will be even higher—\$250 billion to replace worn-out pipes and infrastructure over the next 30 years.

Facing the prospect of having to dramatically raise rates or taxes to fund the needed repairs and improvements, governments across the country are hiring private companies to manage their water operations. Several large cities, including Indianapolis and Atlanta, have already turned over their water systems to private companies. In 2000, 25 cities entered into long-term water or wastewater contracts with private companies.

The RPPI study, "Long-Term Contracting for Water and Wastewater Services," examines water and wastewater contracts and provides local governments with an outline to help them structure contracts and create successful partnerships with private firms.

The partnerships allow local governments to take advantage of private-sector efficiency. The efficiency, which only market-oriented businesses can provide, is saving many cities and counties from serious trouble with their water systems.

"There are always going to be people who say we shouldn't hand over our water to private companies," said Adrian Moore, coauthor of the report and executive director of Reason. "But, the reality is that our water systems are in bad shape and most governments can't afford to fix existing

problems, let alone invest in future technologies. Governments have the opportunity to design contracts that minimize their risks and encourage the private sector to invest in capital improvements. It all comes down to the contract. With a properly structured agreement in place, a community can shift the burden of service management and operation to a private provider, and still retain the necessary control."

### Some cities already privatizing

Some large U.S. cities with water privatization contracts are:

- Milwaukee. United Water entered into an incentive-laden agreement with Milwaukee and the company has earned two annual \$50,000 bonuses by exceeding designated performance levels.

- Seattle. Through an agreement with Camp Dresser & McKee to design, build and operate a new water treatment plant, Seattle saved more than 40 percent of the projected capital costs for the facility.

- Indianapolis. U.S. Filter secured a \$1.5 billion deal to manage the water operations in Indianapolis. The contract sets requirements and incentives for U.S. Filter to alleviate taste and odor problems and expand the city's ability to provide purified water to high-tech businesses.

### Cost savings and accountability

"Cities entering into long-term water and wastewater contracts...were estimating an annual operating savings of between 20 and 45 percent," the report says. "A 1999 National Association of Water Companies (NAWC) study examined public-private partnerships in water and wastewater systems in 29 cities serving over 3 million customers throughout the United States and found that all of the privatizations resulted in lower rate increases than were planned prior to privatization, and at 17 percent (five) of the facilities, public-private partnering brought cost savings of between 10 and 40 percent, allowing them to avoid large increases in water rates."

Even with the cost-savings, account-

ability does not suffer.

According to the study, "with ever-changing government regulations, keeping up with the latest environmental standards can overwhelm system operations. Investment in the infrastructure is part of the answer, and private partners can help municipalities secure the necessary infrastructure for environmental compliance. The benefits of the partnership can extend far beyond capital improvements. The NAWC study found that outsourcing improved compliance with environmental standards. Before entering into public-private partnerships, 12, or 41 percent, of the facilities surveyed were not in full compliance with the federal Safe Drinking Water Act. One year after entering into public-private partnerships, all were in compliance with federal water standards."

### The Milwaukee experience

Milwaukee is an example of not only cost-savings, but quick accountability, to get its water into compliance. In 1993, an epidemic caused by the bacteria *Cryptosporidium* spread throughout the Milwaukee city water system. Residents were worried about another outbreak of the organism.

When Milwaukee entered into a long-term contract with United Water in 1999 for the operations of the Milwaukee Water Works, the firm made improvement of the quality of drinking water a priority. The partnership has provided Milwaukee residents with better water service, and compliance with federal regulations.

The study used these and many other privatization arrangements to provide a step-by-step guide to help cities design the privatization process all the way from the initial request for proposals to performance guarantees to meeting EPA guidelines.

"After examining privatization's successes and failures, we've formulated an outline to help local governments create the best possible contract," Moore said. "City officials don't have to reinvent the wheel. There are successful privatization models to follow." *CJ*

***"But the reality is that our water systems are in bad shape and most governments can't afford to fix existing problems."***



Wendell Cox addresses the audience. Photo by Chris Sinclair of the Triangle Community Coalition

## Cox Deflates 'Smart-Growth' Doctrine

Transportation expert speaks to 100 in audience at Cary meeting

By ERIK ROOT

Assistant Editor

**W**ill public transportation solve any of the current, or future, traffic problems in North Carolina? Not according to Wendell Cox, a transportation expert and senior fellow of the Heartland Institute in Chicago. The Triangle Community Coalition sponsored a presentation by Cox earnestly titled "What They Won't Tell You About Growth, Sprawl, and Mass Transit... Wendell Cox Will."

Though Mayors Glen Lang of Cary and Charles Meeker of Raleigh were invited, they declined to attend. Still, more than 100 people packed a room in Cary where the event was held. Often only one side is heard in the press and from public officials about transit, said TCC Executive Director Chris Sinclair. Cox's presence was sponsored by TCC to give an airing to the other side of the argument.

Armed with an abundance of information that even detractors in the audience found difficult to dispute, Cox proceeded to punch holes in the general argument that public transit is needed, necessary, and required in order to decrease traffic congestion and improve quality of life.

Cox opened his talk by saying that "these debates about transport and land use are not about preferences or loyalty — they are not about pro-transit or anti-transit, pro-highways or anti-highways — they are about trying to identify ways to solve the problems we perceive in the future." Much of the debate assumes that North Carolina cities could become

like Hong Kong or Paris, he said. There are few cities that have the size and density of those cities.

Cox said that one of the most important points about transit is the fact that it never carry the numbers that its proponents claim and that systems always cost more than — usually double — the initial figure. For example, the rail system proposed in the Triangle between Raleigh and Durham is said to cost \$600 million. Cox says that the figure will most likely top \$1.2 billion. There seems to be objective support for that contention. According to *The Charlotte Observer*, the cost of the Charlotte rail system started in the millions and then escalated to such a point that the transit supporters said one billion would not be enough.

Contrary to the suppositions of some supporters, Cox said that even if public transit programs do carry the riders predicted, it will not affect the congestion problem. Roads will be just as congested as before and the public will have little-used rail and bus lines in the place of roads that could have been built or better engineered to compensate for the traffic congestion.

But Cox is not just a naysayer: "I am pro-transit where the transit solutions will reduce traffic congestion at a reasonable cost or [if it] will control the traffic congestion." A city has to look a certain way, it has to have certain attributes to make the transit alternative a possibility. Take Paris, for example. Cox says that people go to Paris and never use a car to get around the city. They take that anecdotal experience and wish that America could emulate

such European cities. However, "Paris only represents 20 percent of the population in the urban areas. If you live in the suburbs of Paris and work in the suburbs of Paris, you get [to work or anywhere else] by car." In this way, Paris is similar to every other American city. Its growth and expansion is outside the core of the town and in the suburbs. Simply visiting central Paris does not mean "Paris" has been visited. There is more to a city than its central business district. Therefore, transit envysts of the European transportation system have missed a crucial piece of the puzzle.

### Maximizing federal revenues

Cox observed that the central concern of many officials is how much money they can get their hands on. "There's plenty of money to spend on rail systems," he said. "My experience tells me that cities and counties and states will do whatever they have to do to get federal money. If there were a federal program to dig a hole and fill it up, you could bet the state would stand dutifully in line to get that money." The ability of local elected officials to bring home

various federal dollars secures their reputation and legacy as well as helps them to make the case for their re-election. It also provides a basis for them to claim their ability to "get things done."

Still, density and intense downtown development, are "absolutely crucial," according to Cox, for transit solutions to work. Transit does a good job moving people to central business districts, for example. In places like Manhattan, New York, where there are about 2.5 million

jobs, public transit does a decent job. Still, less than 10 percent of the motorized movement is by transit. Even more problematic for transit proponents, central business districts are becoming more and more irrelevant.

Not only in Manhattan, but in most cities, the trend is that central business districts are losing employment percentage and the suburbs are growing. Most of the business growth is occurring in the suburbs. Seventy-five percent of Atlanta's jobs are located outside the central city. Since business growth is occurring outside downtown areas, transit's most significant market is in decline.

If it is dense downtown areas that support intense employment opportunities transit requires to be even remotely successful, transit presents an illusion of choice, Cox argued. Mass transit does not work outside downtown areas not only because it is so slow but because the suburbs do not have the density required for it to work.

So, if you like traffic congestion, Smart Growth is what you want, Cox said. To spend a significant amount of money on transit, and not on transportation alternatives that will actually relieve congestion, will only exacerbate the transportation problem. What we need today is fact-based, not doctrine-based, planning, he said.

According to Cox, the choice before us is whether to accommodate vehicle congestion. This is the only choice for planners, since there is no evidence to support the Smart Growth agenda. The planners' own numbers show that people will not board their alternative.

## Debunking Myth Of Fat Suburbanites

**D**espite claims by antisprawl, antiauto activists, the nation's recent "obesity epidemic" has nothing to do with the suburbs. It is not even certain that there is such an epidemic, since the only evidence for it is unverified telephone surveys whose results differ greatly from actual measurements of American weights.

But given that some Americans are overweight, the available evidence indicates that obesity is found more in the supposedly walkable cities than in the supposedly auto-dependent suburbs. For example, Hispanics and African-Americans, who tend to be concentrated in the cities, are much more likely to be obese than non-Hispanic whites, who tend to live in the suburbs. This suggests that obesity is associated more with low income than with geography.

Studies also indicate that the amount of exercise Americans get has not changed in decades. If obesity is increasing, it is due to changes in diet, not to changes in physical activity resulting from too much driving or pedestrian-unfriendly environments.

It is not surprising that antisprawl activists would leap onto the antifat bandwagon with specious claims that suburbs cause obesity. Public health officials, however, should not delude themselves into thinking that Smart Growth will do anything to reduce obesity or promote health. The suburbs "encourage sedentary living habits" that have led to an epidemic of obesity, say antisprawl health officials. Since the "health care burden" of obesity can "conservatively" be estimated to be "more than \$100 billion," we should promote exercise by changing the suburbs into dense, auto-unfriendly areas.

The report's speculative claims are not supported by evidence associating obesity with the suburbs or fitness with New Urbanism. The CDC defines "obese" as having a body-mass index (BMI) of 30 or more. "Overweight" is a body-mass index of 25 or more. BMI for adults is calculated by dividing a person's weight in kilograms by the square of their height in meters. For those who are not yet metricized, multiply your weight in pounds by 703 and divide by the square of your height in inches.

Surgeon General David Satcher has called the obesity epidemic a "crisis" because obesity supposedly kills 325,000 Americans a year and adds \$117 billion to annual health care costs. What happened between 1990 and 2000 that would explain this sudden ballooning of the American public? I can think of several things. First, the explanation for just about every demographic trend in modern America: baby boomers. Perhaps they got older, exercised less, but kept eating. The second explanation for increased obesity rates is more compelling: The declining unemployment and rising incomes of the 1990s. As Paul Fussell observes in his 1983 book *Class* obesity is in large part a class phenomenon. One hundred years ago, it was fashionable to have a paunch, and men's clothes were even designed to emphasize one — which led to the label of the wealthy as "fat cats."

Today, of course, the middle and upper classes prefer to be fashionably thin, but working-class people tend to be overweight. Just as weight indicated wealth a century ago, it indicates security today. The 90s saw unemployment rates at near-record lows, enabling more people to earn enough money to feed their families enough to become overweight. A close look at the statistics supports this notion. If there is an obesity epidemic, then, it may reflect a healthy economy that has provided jobs for low-income people. If so, then one sure cure for the epidemic would be a long recession. Policies aimed at such a recession make as much sense as trying to cure congestion by stopping highway construction — which, of course, is among the policies recommended by antisprawl forces.

CJ



Randall O'Toole

Randall O'Toole is the senior economist of the Thoreau Institute.

## Local Innovation Bulletin Board

## The Wonderful Automobile

**A**t a recent policy conference hosted by the San Francisco-based Independent Institute, Dan Klein spoke about urban growth. Klein is a professor of economics and general director of the Civil Society Institute at Santa Clara University. He has also been a research fellow at the Independent Institute. He's a contributor to a forthcoming book from the University of Michigan Press, *The Voluntary City*. Here are Klein's edited remarks:

I wrote that book with two graduate students, and we seized on the insight that a real important resource in urban transit markets, especially route-based vehicle markets — buses, jitneys — is bus stops, congregation areas for passengers, curb zones for the vehicles. We realized that that's a real important piece of the puzzle, and what we essentially do here is propose the privatization of bus stops, and of curb zones, and bus stations, and have lease-holders of the curb zones contract with carriers to provide transit services.

Now this is a somewhat novel idea. What I thought I would do tonight is give a more general sort of the wisdom from transportation economists on urban transit issues, not specific proposals. Many of my ideas for improving mobility and public policy come from a website: [www.PublicPurpose.com](http://www.PublicPurpose.com).

The situation in the U.S. is profoundly different from much of the world. People ask, "Why is America so rich?" One of the important reasons America is so rich is because it was developed in the age of the automobile, and the automobile is an incredible form of communication and transportation, unbelievably powerful. And we — our urban form — was developed in that age to a great extent, our suburbs, even back east.

That's one reason we are so rich. Trying to make us like Europe, like so many of the urban planners and transit planners want, is actually retrogressive. Concerning public transport use and population by U.S. metropolitan sectors, we've got fairly high numbers of public transport boardings only in the cores, not in the suburbs. There's no longer the urban structure of the dense downtown and sort of spreading from there. Everything is very dispersed and increasingly so.

Why is the automobile so wonderful? First, it's remarkably flexible in so many ways. It travels to all points known to man and pavement. It goes when you want to drive it, and it's there for you, waiting for you until you're ready to drive it. It goes door to door. You can go with or without your pals in the car. You don't have to make transfer stops, waiting or anything of that sort.

Second, it's much faster than other modes of urban transit. Third, its costs and affordability in America are very good, and automobile access by driver-licensed-aged people is approaching saturation. Ninety percent of driver-licensed-aged people have a license, and 90 percent of those people have access to an automobile, so it's actually bumping up to the ceiling. That's one reason why

traffic congestion won't keep continually getting worse, because all potential drivers practically have come up to having a car; you can only go so high.

Fourth is energy use: it's very good relative to rail and the other forms. Fifth is seat availability: compared to a bus; sometimes you have to stand on a bus. Another reason is: comfort, reliability, security, freight and storage (you can go shopping at the supermarket a lot easier than you can if you take the bus), and privacy. Finally, cars are also forms of shelter, places where you might sleep in, in a pinch, or make love or do all sorts of other things that cars are famous and appreciated for.

And that's why the U.S. urban public transit market shrank. From 1945 to 1995, it's down to about 2 percent of travel. The automobile has triumphed.

Light rail and rail systems are a bane. They're lousy forms of mobility. They don't move people nearly as well [as vehicles]. San Jose does a particularly awful job. Compared to freeway lanes, they move, I think, something like 9 percent of what the freeway lane would achieve, and anytime you put down a rail line, you could have put down pavement and given people a highway lane or two, or an arterial street with lights and 7-11s and stuff. Those are better for mobility too. Why don't we just rent people BMWs? Why don't we just lease all these potential new public transport riders BMWs? It would be cheaper.

From my book: "Earnings, that is to say revenues, of all modes of public transport — we go up to 1992 — is only 31 cents on the dollar." So it's a huge loss-making enterprise, paid of course by taxpayers.

**"Light rail and rail systems are a bane. They're lousy forms of mobility. They don't move people nearly as well as vehicles."**

Why the continual push for rail transit? Despite the fact that it's a lousy form of mobility, it hurts the poor, it hurts the poor's mobility for a whole bunch of reasons — partly because rail projects tend to cannibalize bus systems, the public bus system, which is actually a better, and cheaper, and more powerful form of transportation. Why does this happen? There's major pork involved from the Feds and from the other levels of government. Also, city planners, city officials, and so on consider rail transit as a monument — a symbol of a world-class status city. This has been called infrastructure envy.

How should policy be reformed. It's really not tricky. Improving automobility while on highways is simple: Charge users. Paying a highway bill would be as easy as paying a monthly phone bill using electronic toll collection. Electronic toll collection would eliminate congestion. It would increase through-put and reduce pollution from cars, which is minimized at around 90 kilometers an hour as well as reduce congestion and increase highway capacity. CJ

*Klein's thoughts on transit privatization, and his more extended remarks at the policy forum, may be found at the website [www.independent.org](http://www.independent.org).*

## An Interview With Josh Baity, Yadkin County Commissioner

By ERIK ROOT

Assistant Editor

YADKIN COUNTY

CJ: What is your background?

**Josh Baity:** I graduated from one of the local high schools in Yadkin County in 1994 and I was fortunate to go to Davidson College in Davidson, North Carolina.

I received a bachelors of arts degree in political science in 1998. I worked for state Representative Harold Brubaker, who was speaker at the time, during my tenure at Davidson.

I also worked for Representative George Holmes, who was the appropriations chairman.

From that experience, I got a real sense of how important public service is and how important it is to make the right decisions, not only from a public policy perspective but also just how it basically affects people once a policy is adopted and implemented.

Many people look at public service, or elected service, in a negative light. I do not see it as that. I see it as an honor.

That is one of the reasons I ran for the county commission in 2000. I was approached by businessmen, civic folks, and former elected officials to run for county commissioner.

To be asked at the age of 23 to run for that post is quite an honor in itself. It took a little arm-twisting on their part, but I eventually decided to give it a shot.

So I ran for county commissioner in a very, very difficult primary. There were 14 people running in the primary and came in second. There was a primary runoff and I was elected in November of 2000.

CJ: You are up for re-election this year? That is if it ever happens.

**Josh Baity:** Yes. It would have been in May if we had not had the lawsuit.

CJ: What are the biggest issues that have faced Yadkin County since your election?

**Josh Baity:** Schools. We have an overcrowded school population. The board of education and the county commissioners have been working together over the past year and a half to develop a long-term plan.

We are probably going to be facing a \$20 million bond referendum this November to build two new middle schools.

We have K-8 schools currently and the school board has decided that the middle school concept is the way to go. I do think the move to that system will help, or relieve, the overcrowding in our K-8 schools and even high schools.

CJ: What do you need to do to make that happen?

**Josh Baity:** We will build two new middle schools next to our two high schools. Of course financing presents a problem. The problem is that the state will only give us so many buses.

So we solved the problem by building the schools near each other.

We will be able to use one fleet of buses

for each high school to bus each middle school and high school. It combines our resources.

CJ: How is Yadkin County changing?

**Josh Baity:** We are an agriculturally based county. We also historically have had many jobs in the textile industry. We are a population of about 38,000 people. We have lost anywhere from 800 to 1,000 textile jobs, which, compared to Surry County and some of the others — Wilkes County for example — does not seem like too many. But it's a lot for Yadkin County. We have lost, of course, the tax base that goes along with those jobs.

Since being elected we have engaged in a detailed expansion of water and sewer lines to areas of development because, as you know, incentives are the name of the game now.

You have to have those incentives in infrastructure to secure industry. We have got to secure more industry.

Even if it's 10 to 20 jobs, that's 10 to 20 jobs that we didn't have before. Sometimes you have to start small. We have one business in the county that employs about 3,000 people.

That's been our golden egg [in Yadkin]

for 20 years. But it's time to start looking at smaller companies.

CJ: How does a county go after and recruit such businesses?

**Josh Baity:** I think a lot of it has to do with what a certain county has to offer. We have no county water and no county sewer.

But we have developed a good working relationship with the towns that do. So we are assisting them in extending their lines. Having a good infrastructure attracts business.

CJ: How has your county been dealing with the budget shortfall?

**Josh Baity:** It is appalling what is happening. Governor Easley is balancing the state budget on the backs of the counties. It is just wrong the way it's being done.

The withholding of Yadkin County money has impacted us by \$900,000. And for a small county like ours, that is nearly four cents on our local tax rate.

To complicate matters, we — the county governments — are required to maintain a fund balance. This is required of us by state law. We must keep that balance at 8 percent, which for us is \$2.5 million. Governor Easley is also relying on that money.

He thinks that if he takes our reimbursement money away, then we can in turn use that money we have in the fund balance.

We have had to rely on our fund balance the last two years that I have served as commissioner.

This is a spending issue and a leadership issue at the state level. They need to do what we at the county level do; they need to say no.

I don't think the current leadership is willing to do that. They just can't keep taking.

CJ



Yadkin County Commissioner Josh Baity



From Cherokee to Currituck

## Raleigh Approves 'Europeanized' Guidelines to Protect Trees

By ERIK ROOT

Assistant Editor

**T**he Raleigh City Council has decided, to the delight of Sierra Club supporters, to pass guidelines to preserve trees, so reports *The News & Observer* of Raleigh.

The council and its planners want to "Europeanize" Raleigh: "the guidelines cover future mixed-use developments that combine shops, offices, and housing in areas where city planners want denser development. They encourage developers to include wide sidewalks, public spaces such as plazas or sidewalk cafes and buildings close to tree-lined streets instead of large parking lots and strip shopping centers."

While Mayor Charles Meeker did not define the terms, he said he wants a "better, not just bigger, Raleigh."

### Speaking of Meeker

During Raleigh's mayoral campaign last year, talk station WPTF-AM afternoon host Jerry Agar questioned Meeker's ties to the Triangle Transit Authority through the law firm for which he works: Parker, Poe, Adams, & Bernstein. The law firm also lobbied on behalf of the TTA.

Meeker defended himself by saying that not only does he not profit from the successes of his law firm but that he had no relationship with those in his law firm who worked on behalf of the TTA.

On April 22, this writer participated on

RALEIGH

a panel discussing controlled growth. The event was sponsored by the Columbia (South Carolina) Chamber of Commerce. Meeker and Jeff Bandini, an associate partner of Parker, Poe, Adams, & Bernstein, were members of the panel. Bandini deals with transit and real-estate issues for the firm. During his opening remarks, Bandini said that the event was the first time he participated with Meeker in a public forum, but that he had the pleasure of working with Meeker before he became mayor.

### Waynesville passes land-use plan

In Waynesville, town leaders approved a land-use plan that allows varied land uses in every zone, according to the *Citizen-Times* of Asheville. They claim that the plan has something for everyone and that it will especially limit "sprawl."

The *Citizen-Times* concludes that "the second phase of the plan, which will likely be put before the public this summer, deals with regulations and land-use enforcement. Eventually, the plan will divide the town into 28 small land-use districts, each with its own mini-land-use plan."

### Scotland schools pull in the cash

Despite the supposed budget crisis afflicting the state, cities, and counties, the Scotland County Board of Education approved a local current-expense budget increase, according to the *Laurinburg Exchange*.

The paper reports that "the largest in-

crease in funding in the budget was a 3 percent salary increase for school-system employees, totaling \$163,346. "Unlike many people who are going without a pay raise, the limitation does not apply to government employees in one of the poorest of North Carolina counties.

The paper reported that "per the board's agreement with the Scotland County Board of Commissioners, the budget proposal included an \$8.7 million county appropriation, \$200,000 less than last year's allotment." But several taxpayers in Scotland contradict this report, saying that the schools received the same amount they did last year.

### More schools awash in cash

The Iredell-Statesville Board of Education voted to fire acting Superintendent Howard Coleman for taking several trips at taxpayer expense to Las Vegas; San Diego; New Orleans; Washington, D.C.; and Orlando, Fla. Taxpayers also paid for several Coleman took to local golf clubs and resorts. Taxpayers also paid for his bill at fine dining establishments.

In an update concerning the Statesville Housing Authority, *The Boone Report*, an independent newsletter, has made several inquiries into the salaries of the authority's employees and their fringe benefits.

The publication received a letter from a lawyer representing the SHA which stated that the SHA does not have to provide information about money the organization spends on "contractors." However, North

Carolina General Statute 132-1 states that all records of a unit of government are public records.

### Greensboro privatizes

The City of Greensboro has decided to privatize parking enforcement, according to the *News-Record* of Greensboro. Nashville-based Central Parking Systems will take over enforcement of the four city parking garages and curb-side parking. City officials said enforcement will deter motorists from overstaying their time. Currently there are no meters. Instead, there are signs denoting the time limit a particular car may stay in a parking spot.

### Cary in fiscal trouble

Cary's business vacancy rate is climbing. According to *The News & Observer* of Raleigh, Cary's vacancy rate was 16.4 percent in March. While the general slowing of the market is partly to blame for the growing vacancy rates in the Triangle, Cary's vacancy rate has consistently been one of the highest, possibly due to growth-control measures imposed by town officials.

With businesses leaving, and/or not relocating to Cary, comes a decrease in tax revenue. The town is now feeling that decline and may be headed for fiscal problems. According to the Triangle Community Coalition newsletter, Town Councilwoman Julie Robison said Cary is having some "serious budget woes." *cj*

CAROLINA  
JOURNAL

ONLINE

### CarolinaJournal.com is Your Daily Launching Pad to the Best North Carolina News, Analysis, & Opinion

- Reports and columns on the legislature, politics, culture, and local government from Carolina Journal editors and reporters.
- Carolina Journal Publisher John Hood's exclusive "Daily Journal."
- Timely links to important stories and editorials from the state's major newspapers, magazines, and other media organizations.
- Instant access to state & national columnists, wire reports, and the John Locke Foundation's other public policy web sites.

See what *Spectator* magazine called "Matt Drudge with Class" And Get Informed About Your State — At [CarolinaJournal.com](http://CarolinaJournal.com)

### Center for Local Innovation



New Ideas for Governing North Carolina's Cities and Counties

200 W. Morgan St., Suite 200  
Raleigh, North Carolina 27601

**Hon. Tom Fetzer**  
Director, Center for Local Innovation  
Former Mayor of Raleigh

Can local governments deliver good quality services without raising taxes?

North Carolinians looking for the answer to that question need look no further than the **Center for Local Innovation**, headed by Tom Fetzer. Its mission is to identify and promote efficient, effective solutions to problems in local government using such tools as competition, new technologies, and activity-based costing.

To obtain more information about CLI, and subscribe to *Prism*, its weekly e-letter, call Erik Root at 919-828-3876.

## National Review Ad

## From the Liberty Library

• Ann Coulter, whose examination of the Clinton impeachment was a major national bestseller, takes on the issue of media bias in *Slander: Liberal Lies About the American Right*. She says American political debate has become increasingly hostile, overly personal, and insufferably trivial, and Coulter believes it's all liberals' fault. Cultlike in their behavior, vicious in their attacks on Republicans, and in almost complete control of mainstream national media, Coulter says the left has been merciless in portraying all conservatives as dumb, racist, power hungry, homophobic, and downright scary. She examines the events and personalities that have shaped modern political discourse, and demonstrates how the media are biased and have done all in their power to obfuscate the issues and the people behind them. See [www.crownpublishing.com](http://www.crownpublishing.com) for more information.

• Regnery Publishing has released *What's So Great About America* by Hoover Institution Fellow Dinesh D'Souza. He says America is under attack as never before, with Islamic terrorists declaring America the "Great Satan," many Europeans complaining about America spreading its cultural wasteland, and those on the political left in our country blaming America for every ill in the world. D'Souza claims that the flood of immigrants coming to America proves that our values, our system, our freedoms, and our culture are irresistible and superior. In the aftermath of the Sept. 11 attacks, D'Souza believes a clear understanding of the moral basis of Western civilization is needed now more than ever. Details at [www.regnery.com](http://www.regnery.com).

• In *Statecraft: Strategies for a Changing World*, former British Prime Minister Margaret Thatcher brings her political experience to comment on the threats that democracy faces and the role Western powers should play in the world's hot spots, especially in the aftermath of Sept. 11. Reflecting on the lessons of the Cold War, she outlines the foundation of U.S. dominance and its mission as the only global superpower. Thatcher offers observations about the dangers posed by Balkan instability, rogue states, Islamic extremism, and international terrorism—and suggests strategies to counter them. Noting how every contemporary problem evokes demands for a global solution, Thatcher also warns of over-reliance on international institutions. See [www.harpercollins.com](http://www.harpercollins.com) for further information.

• William McGowan has written *Coloring the News: How Crusading for Diversity Has Corrupted American Journalism*, in which he subjects the journalism of the *New York Times*, the *Washington Post*, and other prestigious news organizations to careful analysis in showing how the quest for "diversity" has influenced not only editorial policy but news gathering itself. McGowan says the diversity that has seized hold of the nation's newsrooms does not value true diversity of opinion, but instead promotes one-sided reporting-by-the-numbers. [www.coloringthenews.com](http://www.coloringthenews.com) has more details. CJ

## Book Review

## Academic Challenge: A Mournful Look at Teaching

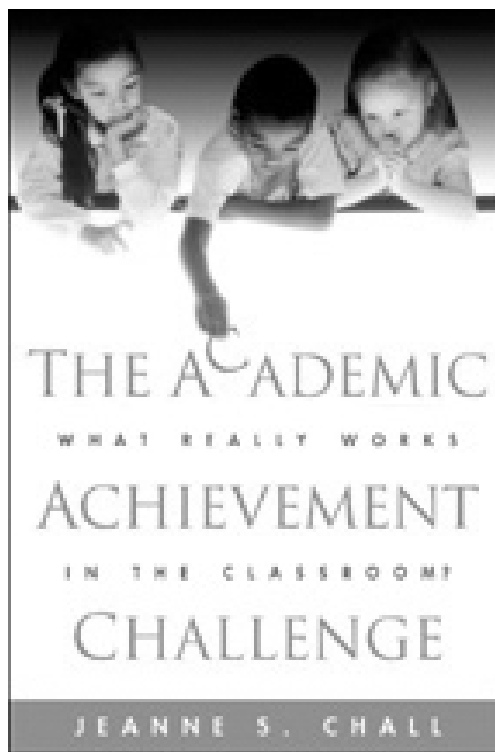
• Jeanne Chall: *The Academic Achievement Challenge*, Guilford Press, 2000, 210pp, \$26.

By MICHAEL POLIAKOFF  
Guest Contributor

WASHINGTON  
Jeanne Chall's last book, *The Academic Achievement Challenge*, published after her death in 1999, is a brilliant analysis of what research tells us about effective and ineffective teaching. It is also a mournful reflection on why we have so much of the latter. After decades of education research, Dr. Chall posed a question that should chill the blood of every policymaker: "Why were the same reforms proposed again and again, under new labels, with little recognition that they were similar to practices or policies that had failed in the past?" The victims of educational malpractice are real and numerous, and behind grim statistics like "70% of inner-city fourth-graders read below grade level" are yet grimmer consequences, like a burgeoning prison population made up mostly of men whose mathematical and verbal literacy skills are the eighth-grade level or below.

Chall is perhaps best known for her definitive studies of reading instruction, which demonstrated the effectiveness of systematic phonics instruction — teaching the relationship between letters and sounds and the ability to "decode" unfamiliar words into their correct sounds. The "whole language" reading method that Chall criticized attempts to teach sight recognition of whole words and sentences at the earliest stages of reading.

Despite the evidence of its failure, however, which in recent years has left tens of thousands of children substantially below grade level, whole language has had remarkable longevity. And this is precisely Chall's point in *The Academic Achievement*



*Challenge*: Whole language, with its evident failures, has been around since the 1920s.

*The Academic Achievement Challenge* demonstrates that failed education theories such as whole language have deep ideological roots, and thus do not go away easily. Phonics, like careful exposition of mathematical problem solving and practice in basic calculation skills, reflects a "teacher-centered" approach, which puts a much greater burden and responsibility on teachers and schools to construct appropriate lesson plans and to set and meet goals.

Education schools train new teachers primarily to use a "student-centered" or constructionist approach, reflecting a much more romantic view of learning, one that encourages children to identify their own interests and to pose and answer questions that are most meaningful to them. The

teacher, in constructionist parlance, is a "guide on the side," not a "sage on the stage." *The Academic Achievement Challenge* chronicles the havoc such methods have caused from the earliest laboratory schools of John Dewey and Bertrand Russell to the "open education" of contemporary public schools and the self-esteem movement. Chall, who assuredly was no ideologue, discusses research that shows the effectiveness of carefully directed student-centered approaches for more advanced students and concludes that the best education is a continuum that moves students from structured, skills-based instruction to their own, self-motivated discovery.

It is remarkable how often reason and research do, in fact, intersect. Students whose teachers assign and grade homework, whose schools enforce attendance, and who take frequent quizzes and tests achieve at higher levels than peers in less-structured and disciplined environments. None of these practices is antithetical to creativity and higher-order thinking; not surprisingly, students who have had carefully-structured training in basic skills — disparagingly called "drill and kill" in teacher training circles — ultimately do better on tasks requiring deeper understanding and knowledge. When education fads fail to produce student learning results, we commonly see the blame placed on "low SES (socioeconomic status)," or in other words, the children themselves. The research cited and discussed in *The Academic Achievement Challenge* eliminates these shameful excuses and returns accountability to where it belongs: schools, school leadership, and the quality of instruction. CJ

Michael Poliakoff is president of the National Council on Teacher Quality.

## Book Review

## Our Post Human Future: Fukuyama's Introduction

• Francis Fukuyama: *Our Post Human Future: Consequences of the Biotechnology Revolution*, New York: Farrar, Straus, and Giroux, 2002, 256 pp, \$25.

By KORY SWANSON  
Contributing Editor

RALEIGH  
For the citizen trying to get a handle on the dizzying advances in biotechnology and the ethical conundrums caused, or that may be caused, by those advances, there is no better introduction to the subject than Francis Fukuyama's new salvo, a learned, if sometimes alarmist, book, *Our Posthuman Future: Consequences of the Biotechnology Revolution*.

The reader will find a penetrating and informed guide to the current state of advances in biotechnology. However, free marketers will shake their heads in dismay, and government expansionists will cheer, as Fukuyama calls for the establishment of new national and global government agencies to regulate the revolution in biotechnology.

Fukuyama advises the reader to skip Part Two, the philosophical portion of the book, "Being Human." However, the reader does so at her peril, because without understanding Fukuyama's "Aristotelian" perspective, his apparent faith in national and global forms of government regulation appears puzzling.

For Fukuyama, "the most significant threat posed by contemporary biotechnol-

ogy is the possibility that it will alter human nature and thereby move us into a 'posthuman' state of history." This assertion is critical for Fukuyama because "[h]uman nature shapes and constrains the possible kinds of political regimes, so a technology powerful enough to reshape what we are will have possibly malign consequences for liberal democracy and the nature of politics itself."

Our political future, in other words, hinges on whether we fully understand the nature of our relationship with biotechnology. The attainment of that understanding requires an understanding of ourselves.

In Fukuyama's view, contemporary moral theories, largely derived from 18<sup>th</sup> century German philosopher Immanuel Kant's ethical theory, do not, indeed cannot, provide us with the requisite self-knowledge to avoid making this ultimate Faustian bargain. This is because the Kantian perspective tries "to derive a system of ethics that is not dependent on any substantive assertions about human nature or human ends." Ethical theories deriving from the Kantian perspective argue that there can be no substantive theory about human ends, whether drawn from human nature or any other source. In these theories, life is so divorced from the concrete circumstances of action that it would have no basis for making any decisions about how to act.

With the decline in confidence that Kantian-based morality can give us any guidance as to how to act, Fukuyama ar-

gues that there is reason to go back to an ethical system based firmly in the study of human motivation. He calls for a return to an Aristotelian-based ethics. An Aristotelian-based morality declares man has a nature: There is something definite and worthwhile that it is to be a human being. An Aristotelian-driven perspective is an attempt to answer the question: What is the good life for man? Since Aristotle's man is by nature a political animal, he attains the good life within society, and thus the question of what is a good life cannot be answered from an individual in abstraction from the society in which he lives, as the Kantian so claims.

Society provides much of the context, an opportunity for living a good life. Thus the question of what is a good life for man must be answered by political science. The aim of political science, according to Aristotle, is the highest good achievable by action. It is generally agreed, he says, that this is happiness.

Fukuyama's hope is that a return to an Aristotelian ethical system grounded in human motivation will not only answer questions about how to act, but will also be justifiable by reference to life as it is lived in this world, which is a political world. As with Aristotle, Fukuyama's goal, it seems, is to provide his readers with insight into their own souls, with self-understanding. And, as Aristotle says, those who understand will, like archers who have a mark to aim at, be more likely to hit their target. CJ

## Book Review

**Unfree Speech: Author Uncovers Folly of Campaign Restrictions**

• Bradley A. Smith, *Unfree Speech: The Folly of Campaign Finance Reform*, Princeton University Press, 2001, 304 pp, \$26.95

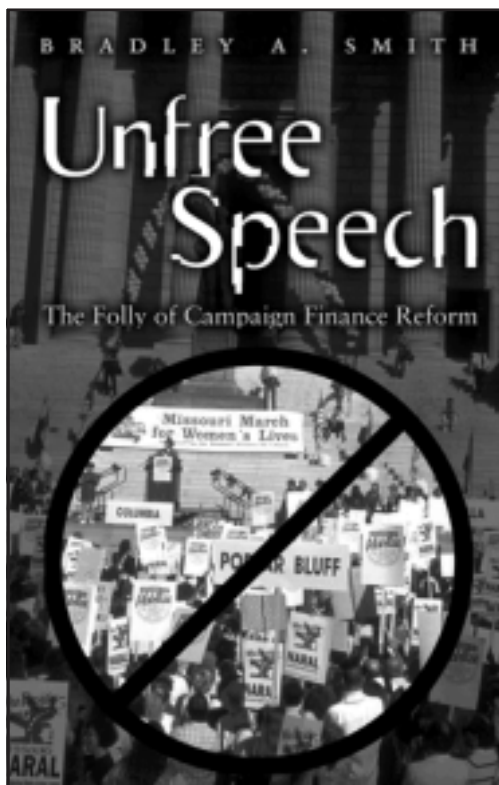
By JOHN SAMPLES  
Guest Contributor

WASHINGTON

Responding to Watergate, Congress a generation ago passed draconian restrictions on campaign spending and fund-raising. The Supreme Court eventually struck down these limits, but affirmed contribution ceilings and the legality of the new agency empowered to oversee the regulatory regime, the Federal Election Commission. Over time, inflation has made the contribution limits more restrictive, but campaign spending has increased apace.

In the mid-1990s Sen. John McCain, R-Ariz., took up the cause of legislating new restrictions on campaign finance emphasizing the issue during his failed presidential effort in 2000. Just weeks after Brad Smith's book appeared, McCain and his allies seemed poised to impose extensive new regulations on political speech. Professor Smith's book could not be more needed or more apt.

The cause of campaign finance "reform" attracts a strange mélange of civic puritans, who decry corruption, and traditional egalitarians, who attack the "undue influence" of the affluent. Among the puritans should be counted McCain himself, who is nothing if not self-righteous and the numerous Washington interest groups like



Common Cause and the Naderite factions, all of which lobby to rid money from politics while taking millions from leftist foundations like the Joyce Foundation and the Pew Memorial Trust.

Like earlier puritans, McCain and his allies prefer religious zeal to public reason; they rarely support their claim that campaign donations corrupt American government. Smith nonetheless examines their assertion with scholarly care. Political sci-

entists have extensively studied the links between campaign giving and congressional voting. As Smith notes, they have found little if any connection between the two, an important finding since the only constitutionally acceptable rationale for restricting contributions would be preventing corruption or the appearance of corruption. In fact, the academic studies say party affiliation, ideology, and constituent preference are more important factors affecting congressional votes.

The most intellectually serious—and most dangerous—proponents of campaign finance restrictions are the traditional egalitarians who profess their cause in our most eminent law schools. Some law professors argue that we must restrict the political speech of some to enhance public debates and thereby realize "First Amendment values." Others say the Fourteenth Amendment requires government action to promote a de facto equality of influence in politics.

Smith invokes the clear meaning of the Constitution against the "First Amendment values" argument. The framers intended to exclude government regulation of the marketplace of ideas. They defined political liberty by the absence of governmental intervention and not as a goal to be achieved through positive state actions. They knew politicians could not be trusted to regulate the electoral process. Once we abandon the clear language that Congress "shall make no law...prohibiting freedom of speech,"

Smith persuasively argues we are only a step from "suppression pure and simple."

Other academics argue that government must substitute public for private financing of elections to attain "equal protection under the law." Yet, as Smith notes, the Fourteenth Amendment protects citizens against governmental discrimination. It places no positive obligations on government to fund political campaigns. The Constitution guarantees equality before the law, not equal influence over elections or policymaking.

Smith touches on many other issues in this work. Fully at home in constitutional law, he crosses disciplinary boundaries without fear, evincing an adventuring spirit that is needed on this topic. Smith has clearly written a book that will stand as the last word in defense of free speech in political campaigns.

I might mention in closing two great ironies about this work. McCain appears very late in the book. McCain's obsession with campaign finance has always been a bit of a mystery, a puzzle possibly tied to his bad conscience about the Keating Five affair. Smith examines the evidence and suggests McCain did nothing wrong or improper. Smith is more than fair toward a public figure who is rarely fair to others.

Every friend of political liberty should read *Unfree Speech*. CJ

John Samples is director of the Center for Representative Government at The Cato Institute.

## Book Review

**The American Soul: Needleman Illuminates Meaning of Freedom**

• Jacob Needleman: *The American Soul: Rediscovering the Wisdom of the Founders*, Penguin Putnam Inc., 2002, 371 pp, \$25.95.

By EDWARD GRIEVE  
Guest Contributor

RALEIGH

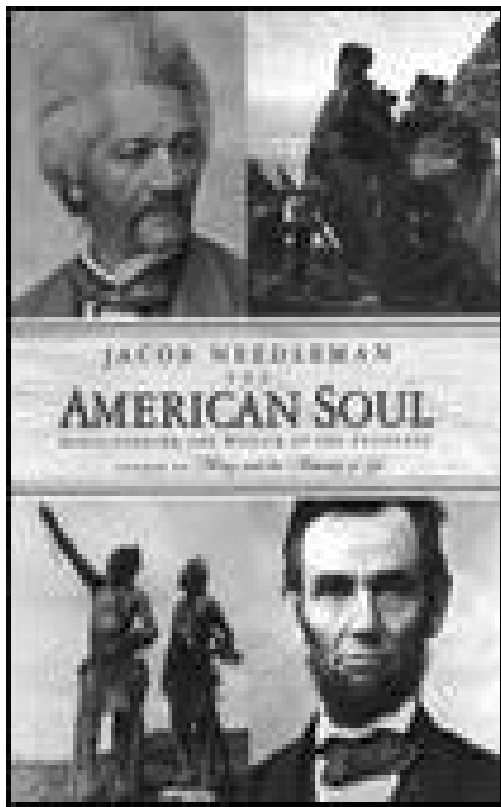
America was a wilderness 3,000 miles west of Europe, thinly populated by a race of people that were destroyed by a culture that they did not understand and by a culture that did not understand them. This land became the seedling ground for what was to become the fulfillment of hundreds of years of Europe's ideas, dreams, struggles, and search. Its name was Freedom.

But what is freedom? *The American Soul* takes us into the transcendent meaning of the word "freedom," and creates a spiritual platform from which to observe how our Founding Fathers understood this word. It is from this dimension that Needleman sheds light upon and gives meaning to such American thoughts as these:

Benjamin Franklin: "In this situation of this assembly, (The Constitutional Convention), groping, as it were in the dark to find political truth, and scarce able to distinguish it when presented to us, how has it happened, Sir, that we have not hitherto once thought of humbling applying to the Father of Lights to illuminate our understanding?..."

George Washington: "For...it is yet to be decided, whether the Revolution must ultimately be considered as a blessing or a curse; a blessing or a curse, not the present age alone, for with our fate will the destiny of unborn millions be involved..."

Thomas Jefferson: "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Cre-



ator with certain inalienable rights, that among these are life, liberty, and the pursuit of happiness."

As we step into a new century, filled with uncertainty, both globally and individually, what better time to have a review of what is America, and what was meant by Cotton Mather, who was the first European on record, when describing his nationality, to say "I am an American." Following Sept. 11, and prior to advancing boldly into the next century, we may all do well to absorb the depth of what is contained within the pages of this remarkable book and take with us into that uncharted place called the future.

As Needleman reminds us, the Found-

ing Fathers never conceived of democracy as solely an external form of government. Their vision, rather, was rooted in a view of human nature as being both fallen and perfectible—morally and spiritually. For the Founders, being an American was an idea based upon spiritual values.

The early settlers were all Europeans who desperately needed to become Americans. They needed to understand what it meant to be an American—what it meant to be free. Needleman, an internationally renowned philosopher, opens up the entire inner dimension of this idea of "The New Man, the American," the free man. Books concerning our Founding Fathers have been written from the political, historical, and religious point of view, but Needleman writes from a dimension that can best be described as anchored in the full depth of the concept of freedom—not only freedom from political and religious control, but ultimate freedom, as Needleman shows it, freedom from the tyranny of oneself.

As Needleman shows us over and over again, insightfully citing the words of our Founding Fathers, both political and spiritual freedom comes with a price—sacrifice and discipline. It may seem strange or paradoxical to say that to be free is to be disciplined and under authority. But Needleman shows us in no uncertain terms that genuine human freedom demands submission to a higher law within oneself, a law that is reflected in a genuinely democratic society governed by the collective conscience of the community. In this sense, an undisciplined individual is not free, but merely chaotic, which leads to chaos and destructive suffering within the whole of society.

To assist us in our path to the two freedoms—external and internal—the Founding Fathers crafted those two great

documents, the Constitution and the Bill of Rights, establishing a framework of government within which every American is free to listen to the voice of conscience. It is this ultimate freedom that, according to Needleman, defines the meaning of America and the hope it still offers to the world.

We find in *The American Soul* that the successful application of our Founders' vision of freedom, equality, and liberty has appeared throughout our history, but Needleman shows our failures as well. Through the eyes of our great American native peoples and through the powerful leaders of our black community, we see our failure to live up to the standard of external and internal moral development that is necessary for us to be what the Founding Fathers envisioned: Americans. Needleman tells us that that failure stems from losing contact with the subtle current of discipline and sacrifice.

There can be no doubt that the foundation upon which our Founding Fathers stood was spiritual and with a sure hand Needleman connects the Founders' vision with ancient and timeless currents of spirituality as only one well-versed in the spiritual nature of man can do. He gives us a glimpse of the impulse that was given in terms of religious activity and political conduct. This impulse he calls conscience.

One feels when reading *The American Soul* a connection with truth, which I believe comes from Needleman's seeing America from a point of view that is objective. Could it be that to see objectively is an essential and forgotten meaning of what it is to truly be an American? CJ

Edward Grieve is chairman of the Fourth Congressional District of the Republican party.

## Editorials

## DISTRICT ROULETTE

## Salamanders and bug splats

Voting is a right preciously won and too easily shrugged. Its solidity and execution are therefore due the diligence for protection of any of our most valuable rights. In that sense, it should also be anchored in constitutional law and an adherence to first principles — whereby North Carolina faces a conundrum.

We begin with the recognition that the nation's decennial census and subsequent redistricting for legislative and congressional redistricting always have been, and always will be, matters of raw politics. The term "gerrymander," itself coined in 1812 to condemn the efforts of Massachusetts Republicans to shut out the Federalists through the creative drawing of district boundaries, is the operative rule of thumb for whichever party happens to reign at the moment of decision. The only true difference is that we have gone from salamanders to bug splats.

On April 30 the N.C. Supreme Court ruled, in a 48-page decision penned by Chief Justice I. Beverly Lake, Jr., that the General Assembly's redistricting plan violates Article II, Section 3(3) of the North Carolina Constitution. We made this argument in our April edition. But the court, in ruling against the measure because it violates county boundaries, emitted a nuanced judgment that, at the same time it disappoints Democrats, leaves little measure of cheer for Republicans. In its own way, this may be truly sweet justice for the average citizen. But let us not delude ourselves or others; redistricting always has been a bare-knuckled battle for power. The only ongoing question is by whose rules such battles are fought and, once those rules are decided upon, are they enforced?

Under the current regime, voting rights are a complicated matter, much more than they should be. The 15th and 19th Amendments to the U.S. Constitution guarantee the right of all legal, adult residents of the nation to vote. While these rights are dependent upon the 14th Amendment clause of due process, a questionably applied and dubiously legitimate justification in and of itself, the argument in favor of current interpretation is that our districts must be drawn to comply with the 1965 Voting Rights Act. The core question then is which standard dominates?

Do we adhere to the North Carolina constitution when it says that "no county shall be divided in the formation of a senate district" — that, as stated in Article II, Section 4(3) — and "no county shall be divided in the formation of a representative district?" Or do we adhere to the strictures of the Voting Rights Act whereby 40 counties in North Carolina are affected by a "due process" clause to which most of the rest of the nation is not subject?

If "due process" and "equal protection" before the law mean anything, all conditions and tenets of law should apply equally throughout the nation. The Voting Rights Act, explicitly selective in its jurisdiction, is a residue of past political controversies and deserves a second look.

While the court struck down the legislative plan it also rejected that offered by Republicans to create large,

multimember districts. This option would have protected county lines as much as possible, thus upholding the state constitution, but also may have created some voter confusion and dramatically changed legislative campaigns. The Supreme Court instead found what it argued was a state constitutional reason to strike down multimember districts in favor of single-member ones.

While the problem should properly be resolved through the legislative and amendment process, Superior Court Judge Knox Jenkins, to whom the Supreme Court remanded the case, may end up with the authority to draw the districts himself. This depends on the legislature and whether its efforts impede the timeliness of scheduled elections. While the issue may be momentarily settled by the time our words see print, it is unlikely to be forever written in stone that this issue is then settled.

An upside to the ruling is that each party can find elements worthy of both praise and condemnation. This does not negate the quandary in which legislators find themselves. Faced with conflicting federal and state rules and a decision that, while eloquent, still leaves many terms undefined, lawmakers have sought to protect their power while avoiding another round of litigation. So far, they may not have succeeded at this tricky task.

As argued by the plaintiffs in the case, the simple solution is to draw multimember, multicounty districts that might combine several counties with plural representation without dividing any one county. But the core of our objection is less that our state constitution seems irrelevant to our representatives but more that, to adhere to it, or to challenge the federal mandate of a questionably constitutional Voting Rights Act, partisan politics subsumes principle in the pursuit of raw power.

Finally, we should note that judicial activism — the tendency for judges to serve as policymakers rather than arbiters — is alive and well in North Carolina, and make have been accentuated by the present redistricting case. The state's highest court embraced arguments not made by either side in the case, and has given a local trial judge the authority to draw districts lines if he deems it necessary. To paraphrase a famous saying, judicial activism in the defense of liberty is no vice — but activism, when unmoored from the plain text and meaning of the constitution, is no virtue.

## RED ELEPHANTS

## Wasted money at the TDA = A joke

Economic development, as it has come to be commonly understood, is an oxymoron. Especially with respect to the N.C. Technological Development Authority, one is reminded of the Lord of the White Elephants, namely, the King of Siam. Having a proprietary claim to the use of rare albino elephants, when he wanted to punish one of his courtiers he would give them a white elephant who would then basically eat the man out of house and home. While there is little, if any evidence, that the

King of Siam ever actually resorted to such a mischievous tactic, the term "white elephant" has become synonymous with the idea of a possession or a situation that, in the words of Robert Hendrickson, "is useless, eats up money, and can't be gotten rid of."

Enter stage right — or left, as the case may be — the N.C. Technological Development Authority. While it certainly has all the criteria needed to meet the standard of a "white elephant," we prefer to move one step further and just call it a red elephant. Why? Because this useless and profligate entity is seemingly attached at the hip to unaccountable spending having nothing to do with its central mission.

While David L. Emmett, the authority's president, claims that the problems related to lobbyist Joe McClees and his extravagant, high-on-the-hog entertainment at the TDA's expense, have been resolved and that "policies and procedures for expense reimbursements" have been updated, the question remains: Why does the TDA even exist?

Having received almost \$19 million in taxpayer money since 1992, when it was severed from the Department of Commerce, the organization's state funding was suspended by Gov. Mike Easley last year following a less than stellar review by State Auditor Ralph Campbell, Jr. Easley does not plan to propose any funding for the authority in his new budget for next year.

A private, nonprofit organization, the authority has taken to pushing an end around the governor for taxpayer funds by going directly to the General Assembly. Emmett said that "without state support our efforts would be smaller."

While he claims that the TDA "has funded the establishment of 22 incubators in 20 counties and provided seed capital for over 100 small companies" he leaves a central question unanswered. If such enterprises were economically viable, wouldn't private capital have gravitated to such enterprises to begin with? What's more, even if the TDA were successful at the mission with which it is charged — "transferring technologies into commercial applications by private industry" — one remains hard pressed to understand why the people of North Carolina should be asked to finance what basically amounts to corporate welfare. If new technological inventions are commercially viable they do not need a taxpayer subsidy of any sort. If they are not commercially viable, they merit such a subsidy even less.

Another matter of concern is the abuse of "public-private," nonprofit state agency spinoffs that are in a position to abuse their special status, the political connections of those who operate them, and the malleability of their reporting. While the TDA has finally exposed its records for public view, they did this only after they were called on their profligate, reckless, and irresponsible spending and expense reimbursement practices. This is no small matter.

As with the Golden LEAF Foundation, about which we wrote in the March *Carolina Journal*, the proliferation of bastard nonprofits at the state's behest is a specious backdoor effort to subsidize various government enterprises and goals without the more strict accountability to which state agencies are intended to adhere.

If nonprofit agencies, sanctioned by the state, demand taxpayer support for their activities, then they should most assuredly be held accountable for their expenditures. Nonprofit agencies should not be quasi-governmental entities intended to execute state policy based on passions of the moment, or circuitously surrendering to the baseness of a dip in time.

As it is, the TDA is a serendipitous bow to all that we must question about government and its willingness to acquiesce to the demands of the moment, to a simple surrender to those who believe the dictates of government are equal to the provinces of freedom.

And so we must pause from time to time and ask ourselves a simple question: Why do we need an organization such as the Technological Development Authority? There is also one simple answer: We don't. If there is a market for any given service or product, people will open their wallets. If no such market exists, wallets will remain closed.

And when a nonprofit allows its chief lobbyist to lease limousines and penthouses *ad infinitum*, one is hard pressed to accept the idea that the TDA is deserving of any additional taxpayer dollars. Indeed, it is ever more easy to assert that, hey, these people should get a real job.

In the interim, the essence of the issue is that so-called "economic development" is a fraud. The TDA is a fraud, too. We must all recognize that true prosperity will arise only from private-sector innovators and risk-takers. No subsidy, no measure of government sponsored "economic development," will change that.

# INVENTION'S MOM

Politicians try to justify their decisions

The satirist Jonathan Swift once observed that "necessity is the mother of invention." As North Carolina's 2002 legislative session begins, with such issues as budget deficits, redistricting, and a state lottery promising to elicit all kinds of "inventive" arguments, we thought we'd use some of the more famous takeoffs on Swift's quote to discuss possible outcomes.

• "Necessity is the mother of futile dodges' is much nearer the truth," wrote Alfred North Whitehead.

North Carolina's budget problems did not occur overnight. They are the result of years of conscious decisions to draw down savings, to eliminate traditional fiscal "cushions" like advance funding for teacher salaries, and to add layer after layer of new programs. Nevertheless, North Carolinians have heard a series of dodges from the politicians who made these decisions. We have been told that no one predicted that revenue growth would virtually end or that the state would lose a billion dollars worth of court cases.

Uh, right. That's why you save prudently and spend frugally — precisely because such events are unpredictable.

• "Getting caught is the mother of invention," wrote Robert Byrne.

As noted in a previous editorial, last year the Democratic majorities in the legislature crafted redistricting plans that were brutally anti-competitive. In doing so, leaders assumed that there was nothing much the Republican minority could do about it. Big mistake.

If House Speaker Jim Black had stuck to an original agreement to involve Republicans in crafting a compromise, the issue would likely have never gotten to court. As it stands now, Democrats are probably worse off for having tried to get away with too much and getting caught.

• "Necessity is the mother of taking chances," wrote Mark Twain.

Gov. Mike Easley and legislative leaders have no easy choices in managing a deficit that exceeds \$1 billion in existing programs and approaches \$2 billion if you add expansion items such as school enrollment growth. So expect to hear some risky ideas.

One would be to enact a state lottery without a public vote, thus generating some revenues for the 2002-03 fiscal year. Normally, we'd say that taking away the "public's right to decide" argument would doom a lottery to certain defeat, as there are many members who say they personally oppose a lottery but will vote for a referendum. This year, there may be a slim avenue of passage: inserting the lottery into the budget bill itself, thus requiring an anti-lottery member to vote down the whole thing.

An alternative would be to pass a referendum bill early in the session and set the vote for the coming primary in August. One danger is that a vote in the dead of summer, when committed anti-lottery voters will show up and pro-lottery voters are on holiday, could result in an embarrassing defeat and the end of the lottery cause for a decade.

Another risky scenario would see legislators simply give up on passing a budget-adjustment bill at all this year. Technically, North Carolina already has a state budget for FY 2002-03. It's way out of balance, so without legislative action it would be up to Easley alone to make the necessary cuts. If lawmakers are facing angry taxpayers and newly competitive districts, this prospect may seem inviting.

Our own contribution to the parade of aphorisms is that "invention will be the mother of necessity." That is, whatever happens, inventive state politicians will claim that whatever controversial decisions they make this year were unavoidable, were necessary. This defense will succeed only if the public hasn't been paying attention.

# DOUBLE DIPPING

Legislators should not work for the state

At what point might a legislator's public responsibilities conflict with his private interests? This is a question to which state Sen. Steve Metcalf should be immediately subject. Is he comfortable in his position as both a state legislator and director of local government relations for Western Carolina University? We are not. He should resign one or the other. Why?

As a state legislator, Metcalf retains the ability to vote

yea or nay on funding for the University of North Carolina system, which includes — surprise! — Western Carolina. Public service is a laudable enterprise, but sometimes enthusiasm for that service compromises, intentionally or not, one's integrity. Metcalf is skirting the edge, and it is a rim to which he should not adhere.

At \$95,000 a year, Metcalf's university position is intended as an incubator of sorts to assist WCU and local governments in economic development strategies. Does this conflict with his role as a legislator to assist in such efforts statewide? Of course it does. Will Metcalf address this conflict? We shall see.

In the interim it would be useful for citizens to consider whether they want their legislators to be also otherwise employed on the state payroll. This is usually recognized as "double-dipping," a practice generally and properly frowned upon. When a conflict of interest enables a politician to appropriate funds for an institution with which he has a tangential relationship one must perk his brows.

In his position, it is the intention that Metcalf will, as "director of government relations," combine community development with economic incentives to create a symbi-

otic relationship between the community and the university. Nonetheless, this does not resolve the questions raised about the unusual relationship. Well-connected politically via his relationship with former Gov. Jim Hunt, it seems suspiciously as though Metcalf is using his political influence to ensure himself an income should he, for whatever reason, lose other avenues for enrichment. This is not an option for less politically connected North Carolinians.

What's more, when our universities are forever screaming that they are short of funds, and legislators looking to feed those troughs, it is difficult to see how anyone can justify giving a state legislator what is nearly a six-figure income for a job "preparing proposals" and preparing "economic development" plans for municipalities. Whatever the case, no legislator should be otherwise employed by the state.

Clearly, as a legislator and an employee of WCU, Metcalf has a conflict of interest. This is perilous and unseemly, and degrades the integrity of our government. He should resign one position or the other. And all such double dipping at taxpayers' expense should be completely and permanently outlawed. CJ

## Good Intentions Are Not Enough

North Carolina's fiscal problems have multiple causes. But a key one has been the willingness of our politicians to create costly new programs with little more than a catchy sound bite and a statement of good intentions.

Let me supply two examples, one little and one big. Both are pet projects of former Gov. Jim Hunt that started out with a lot promises and failed to fulfill them.

The first is a national effort, originally chaired by Hunt, called the National Board for Professional Teaching Standards. The NBPTS was created by all the "right" players in national education circles: the teacher unions, the Carnegie and Rockefeller foundations, and so on. Many states, including North Carolina, encourage teachers to seek NBPTS credentials by paying the necessary costs and offering sizable bonuses to those who succeed.

Hunt's idea, both in helping to launch the national effort and in pushing through North Carolina's version of it, was to reward good teaching with higher pay. No one can fault the intention. But the program is, to put it succinctly, a flop.

Dr. Michael Podgursky, a University of Missouri economist and longtime scholar of teacher compensation issues, argues that there is "no evidence that this costly and time-consuming process is actually any better at identifying superior teachers than assessments from supervisors, principals, or parents."

The most recent study, by Dr. J.E. Stone of East Tennessee State University's education school, looked at the annual test-score gains in various subjects of Tennessee students taught by nationally certified teachers. It concluded that the students' gains were no greater on average than those made by students of other teachers.

North Carolina has squandered tens of millions of dollars on NBPTS fees and bonuses since 1995. The cost to taxpayers for each participating teacher is about \$2,500, plus a yearly bump-up in salary of nearly \$4,200. It would have been far better to spend that money — about \$13.4 million in 2000 — to attract teachers rated well (by principals and parents) to work in North Carolina's most demanding classrooms.

At this point, I'd simply settle for transferring the money to Gov. Mike Easley's "More at Four" program, which believe it or not has a better shot of doing some good, at least if it employs the best available research and sticks to its knitting.

### Smart Start began dumb

Speaking of preschool, though, let's examine Hunt's signature program, Smart Start. Once again, the governor sold the program with soaring rhetoric and big promises. This wouldn't be just another government welfare program, doling out taxpayer money with reckless abandon. Smart Start would be a public-

private partnership. It would focus like a laser beam on getting children ready to learn once they reached kindergarten.

State lawmakers should have known better. They should have set aside the admittedly good intentions, asked tougher questions, and solicited a broader range of expert opinions.

Instead of targeting Smart Start towards the small minority of preschool children who are desperately poor and lack even a single functioning parent — those, in other words, who research shows might benefit from early intervention — Hunt plowed headlong into the creation of a vast middle-class entitlement. Perhaps this decision was an attempt to buy solid political support for programs that would otherwise not benefit swing voters. Whatever the reason, it signified a major departure from the stated goals of the preschool intervention.

Smart Start was never designed to seek effective interventions and invest public and private money into them. It was nothing more than a way of subsidizing day care centers and other service providers.

And it was a spectacularly poor way to do so, eschewing the previously operating voucher program in favor of a system of local cartels controlled by the service providers themselves, who wrote each other checks with what turned out to be overwhelming public dollars.

As recent media reports have detailed, Smart Start is a financial morass. Many local "Partnerships for Children" can't account for their expenditures and fail to follow basic grant-making procedures. The failure isn't just financial, though. Despite what you may have heard, the academic research on Smart Start to date shows that most program expenditures have no impact on student readiness to learn.

A subgroup of Smart Start preschoolers whose day cares have seen major upgrades in quality have shown a statistically significant but small gain in readiness, too small to justify the more than \$200 million in the taxpayers' money we now spend annually on the program.

Among other flaws in the design, most North Carolina preschoolers spend little or no time in day care centers — and those who do are disproportionately middle- and upper-income, not the lower-income kids who have real readiness problem in the first place.

Will state legislators have the courage to rethink these expensive and wasteful projects in a time of fiscal distress? This will be a test of our leaders' ability to admit mistakes and to value good results over good intentions. CJ

Hood is president of the John Locke Foundation, publisher of Carolina Journal, and author, most recently, of *Investor Politics* (Templeton Foundation Press, 2001).



John Hood

## Editorial Briefs

*Tariffs were 'gravy' for steel industry*

Until a few weeks ago, the steel industry was warning that without steeper tariffs against imports it might not survive. Courtesy of **President Bush**, it got tariff increases of 8 to 30 percent, and steel executives are saying that market conditions have improved much more quickly than anticipated.

Steel prices have climbed steeply. The average market price of hot-rolled steel has climbed from \$215 a ton in November to \$290 in April, with the prospect of more than \$300 a ton in May. Steel stocks have performed better than many other sectors in recent months, with the Dow Jones American steel index climbing more than 40 percent since September.

The tariffs, which one steel executive has described as "a little bit of gravy," have had the effect of choking off low-priced foreign supplies—making it easier for domestic producers to raise prices.

Those listening to recent statements by steel companies may be excused for wondering whether this is the same industry that a few months ago was warning its very survival was at risk, observers say. Meanwhile, Bush's tariff gift has ignited trade retaliations by Europe and Japan that threaten to harm other U.S. producers, including Florida citrus growers.

*Environmentalists like Clear Skies plan*

Some environmental specialists are giving President Bush's Clear Skies plan high marks. They say his efforts to cut power plant emissions can result in huge reductions, employing innovative strategies to fight air pollution.

Clear Skies would impose hard caps on power plant emissions of sulfur dioxide, nitrogen oxide, and mercury emissions—requiring reductions of about 70 percent from today's levels over 10 to 15 years. Clear Skies would take a different approach to pollution reduction than the current Clean Air Act.

The key is using the cap-and-trade process, rather than command-and-control regulations, thus allowing sources to trade emissions permits, so that those facing costly cleanup bills can effectively pay for emissions reductions by others with lower costs.

The cap-and-trade program would make no distinction between new sources of pollution and old sources, whereas the different requirements for "old source" pollution versus "new source" pollution under the Clean Air Act has been a problem.

The Clean Air Act has required old plants to meet stricter standards when their useful lives ran out; perversely, this has increased the value of old plants without expensive new pollution control technology, since old plants are allowed to continue operating indefinitely. Under Clear Skies, plant owners would get both the incentive to reduce emissions and the flexibility to find the cheapest cleanup strategies for key pollutants without regard to a plant's age.

*Cost of lobbying state legislators soars*

- The amount being spent on lobbying state legislators and disclosed by states has nearly doubled in five years, according to a study by the Center for Public Integrity.

Lobbyists spent \$570 million in 2000 to influence legislators in 34 states, a rise of 91 percent since 1995, when fewer states reported such spending. Sixteen states still do not tabulate lobbyist spending.

State legislators are rarely subjected to the kind of conflict-of-interest rules that apply to Congress. In fact, the center found that one in five of the nation's 7,400 legislators sat on a committee that regulated industries or issues in which they had a personal financial interest—and that 18 percent had a financial connection to a business or group that lobbied in their state house.

The center found one Arkansas legislator who was also a registered lobbyist.

## NCSU's Heart-Break Hotel for Taxpayers

By JON SANDERS

Assistant Editor

RALEIGH

**N**orth Carolina State University plans to go into the hotel business. Construction is slated to begin this year on the Centennial Campus Executive Conference Center and hotel, which would offer 250 rooms and 29,000 square feet of meeting space. It will be complemented by an 18-hole championship golf course, all built on the university's Centennial Campus.

Honestly.

*\$65 million during state crisis*

The project is estimated to cost \$65 million — \$53 million for the conference center and hotel, and \$12 million for the golf course. The university intends to issue bonds for the project, and the Board of Governors' approval of it directs the university away from using tuition or General Fund money for it. Astute readers will recall that the state is undergoing a fiscal crisis in part brought on by the issuance of education bonds approved in 2000. The \$80 million in new total taxable bond debt would nearly double N.C. State's indebtedness (not counting the higher-education bonds), already at \$87.6 million. Naturally, university officials say N.C. State can afford the additional indebtedness.

A university press release says the project would "promote the university's mission." One is sorely tempted to check the mission statement to see where it states something along the lines of "Being an institution set up for the education of North Carolina citizens, N.C. State shall offer four-star resort rooms and conference space next to a first-class golf course." Don't waste your time looking; it's not there. I checked.

*Competing against private enterprise*

This new project places the public university — with all the benefits of guaranteed public finance and support — in direct competition with private enterprise outside of private providers of education. A study by the North Carolina Hotel and Motel Association suggests the N.C. State project would compete with (i.e., reduce the market share of) not only such private conference facilities as the Pinehurst Resort & Country Club, Grandover Resort & Conference Center, Grove Park Inn Resort, Sea Trail Resort & Conference Center, and the Ballentyne Resort Hotel, but also traditional full-service hotels with meeting and convention

facilities, including the Sheraton Four Seasons in Greensboro, Sheraton Imperial in Research Triangle Park, Marriott Hotel in Durham, Hilton in North Raleigh, Adam's Mark Hotel in Winston-Salem, The Millennium Hotel in Durham, and others.

Furthermore, the university would have a competitive cost advantage through its N.C. State Conference Center L.L.C., approved by the UNC Board of Governors in May 2001. The NCHMA says the nonprofit "would not be responsible for federal and state income taxes, and as an extension of a public educational facility would likely be exempt from most property tax liability and also allowed to claim reimbursement for state and local sales taxes paid on materials purchased for construction and on operating supplies."

It gets better. The private investors originally expected to bankroll the project pulled out of it and the university took ownership of it, which made already jittery taxpayers more nervous. Before, university officials were saying that they had asked for private sector involvement in the project because they expected it to make a profit. Now university officials say that they don't need private sector involvement in the project, because they expect it to make a profit. Spin is not just confined to the political sector.

The question bears repeating: If private investors didn't think the project was a good investment, why should the university? Private investors at least bear the burdens of the risks they take; the university is taxpayer-insulated from its mistakes. If the N.C. State hotel, conference center, and golf course project winds up being a money loser, it will hurt taxpayers and still hurt private enterprise, too.

*Gen. Patton: 'always audacity'*

In apprehending the concept of a public university building a four-star hotel with all the amenities and a championship golf course to boot, I'm reminded of the motto of Gen. George S. Patton, Jr.: "L'audace, l'audace, toujours l'audace," which means "Audacity, audacity, always audacity." Audacity is a useful concept in warfare, necessary for pushing deeper and further into enemy territory. We want audacious generals in the fight for freedom.

What we do *not* need, however, is audacity in a public university, making further inroads into the private sector and away from its mission to educate. The Battle of the Bulge in this case is against the audacious schemes of the bulging behemoth in Raleigh.

# Supply-Side Economics Is Alive in North Carolina

By MICHAEL L. WALDEN  
Contributing Editor

Supply side economics" is a term often used in discussions about tax policy, but it's frequently grossly misunderstood. Some claim supply-side economics is a "have your cake and eat it too" idea. That is, supply-side economics is interpreted as meaning lower tax rates lead to higher tax revenues. A prominent national commentator often makes this claim.

Although supply side economics does stipulate that, in certain situations, lower tax rates can lead to more tax revenues, supply-side economics doesn't claim this is always the case. Instead, the assertion of supply-side economics is much more modest.

At its core, supply-side economics simply states that economic activity is influenced by the level of tax rates. Specifically, economic activity, like work, spending, and investing, is reduced when tax rates rise, and economic activity is increased when tax rates fall.

In other words, an increase in the tax on work, spending, or investing will reduce the benefits of those activities, and so households and businesses will engage in fewer of the activities.

In contrast, a decrease in the tax on work, spending, or investing will increase the benefits from those activities, so households and businesses will engage in more of the activities.

For tax revenues, supply-side economics means tax revenues will rise less than expected when a tax rate is increased because the economic base being taxed will fall, somewhat, as a result of the increase in the tax rate. Symmetrically, supply-side economics implies tax revenues will fall less than expected when a tax rate is cut because the economic base being taxed will expand, somewhat, as a result of the decrease in the tax rate.

Now, the famous national commentator is correct some of the time in saying lower tax rates result in more tax revenues and higher tax rates bring in less tax revenues. Supply-side economic theory shows that, at very high tax rates, the reduction in the economic base can be so great when the tax rate is further increased that tax revenues will fall. Conversely, at very high tax rates, the expansion in the

economic base can be so substantial when the tax rate is cut that tax revenues will increase as a result.

## A new North Carolina study

Several years ago I conducted a study of North Carolina's major taxes to see whether supply-side economics applied to our state. The answer I found then was an overwhelming "yes." Generally, economic activity in North Carolina expanded when tax rates were reduced, and economic activity contracted when tax rates were raised.

I recently updated this study. One advantage of doing so was that several North Carolina tax rates changed many times in recent years. This allowed for a better estimation of the relationship between economic activity and tax rates in our state.

I analyzed six major North Carolina taxes over the years 1957-1999: the individual income tax, the retail sales tax, the corporate income tax, the property tax, the gasoline tax, and the unemployment compensation tax.

My new findings actually strengthened the results of the previous study. I again found that economic activity in North Carolina is affected by the level of state tax rates. North Carolinians reduce

their economic activity (work, spending, investing) in response to higher tax rates, and we increase our economic activity in reaction to lower tax rates. Importantly, these relationships were found after accounting for nontax factors that can affect economic activity and for public spending in areas like education, public safety, highways, and transfers.

What this finding means, for example, is that retail purchases in North Carolina fall when the sales tax is raised, and retail purchases rise when the sales tax is reduced.

However, I also found the degree to which North Carolinians change their work, spending, and investing habits in response to changes in tax rates varies by the type of tax. Of the six taxes I studied, the response is greatest for the sales tax and smallest for the individual income tax.

For example, in reaction to a 5 percent increase in the sales tax rate, I estimate sales tax revenue would rise only 3.3 percent, not 5 percent, because of the reduction in retail

purchases. In contrast, in response to a 5 percent increase in the average individual income tax rate, I calculate individual income tax revenues would increase only a shade less than 5 percent.

These differences make sense. North Carolinians have options for shifting some of their retail purchases in response to a sales tax rate increase. They can buy more from catalogues and the Internet, and they can purchase more from retailers in other states. (Of course, North Carolinians are required to pay sales tax on Internet purchases, but the law allows self-reporting of this buying.) In contrast, most of us have difficulty changing the location of our job when the income tax rate changes, at least in the short-run.

## Having your cake and eating it too?

Are any North Carolina tax rates now so high that decreases in the rate would lead to increases in tax revenues, and increases in the rate would lead to decreases in tax revenues?

My research says not yet. None of the six North Carolina tax rates are now high enough such that the tax rate and tax revenues are inversely related. For instance, I estimate the North Carolina sales tax rate would have to be above 10.5 percent for reductions in the rate to cause sales tax revenues to rise.

But this doesn't reduce the significance of supply-side economics in North Carolina. The essential principle of supply-side economics is alive in the Old North State. Households and businesses do take account of the level of tax rates in their economic decision-making. Tax revenues will not rise proportionately with tax rates, because the economic base being taxed will be influenced by the change in tax rates.

This means policymakers won't see as much tax revenue forthcoming from a tax rate increase as they might think, and they won't see as much reduction in tax revenue as expected from a tax rate cut. This is the core meaning of supply-side economics, and we're well advised to keep it in mind in North Carolina.

Michael L. Walden is a William Neal Reynolds distinguished professor in the Department of Agricultural and Resource Economics at North Carolina State University and an adjunct scholar with the Locke Foundation.

# Lung Association's Report Evaporates Under Scrutiny

By DR. ROY CORDATO  
Vice President of Research

The American Lung Association, in its State of the Air report on ground-level ozone released May 1, portrayed North Carolina as one of the worst states in the country in ozone pollution.

The study, which gained extensive media attention, is being used as evidence that North Carolina needs to pass the "clean smokestacks" bill being considered by the General Assembly. The ALA report may make good propaganda, but in reality, it is a classic case of junk science.

## Reporting period is out of date

First, the ALA report is based on old data, saying nothing about current trends or conditions. It focuses on three years, 1998-2000, leaving out data from 2001, which has been available since October. In 1998 and 1999 North Carolina had unusually hot humid summers because of El Nino weather patterns, which caused ozone readings that were nearly three times what they were in any other year before or since.

The ALA's A to F grading system is significantly more stringent than even the standards supported by the Environmental Protection Agency under Bill Clinton and Al Gore and was designed to create as many Fs as possible.

A county receives an F if there are three ozone monitor readings greater than or equal to 85 parts per billion of ambient air averaged over eight hours for the three-year period. (The 85 ppb threshold is part of a pending EPA standard that was proposed in 1997.) This is absurd and not grounded in sound science.

Imagine county A and county B, where A has 10 exceedance days of 85 ppb over the three-year period and county B with 50 days measuring 84 ppb. The ALA grading system would give county A a grade of F and county B a grade of A. But according to the EPA's Clean Air Scientific Advisory Committee, these kinds of minor differences are meaningless. CASAC concluded that over a range of 70 to 90 ppb "there is no 'bright line' that distinguishes [any level] as being significantly more protective of public health." In other words, the difference between A and F would turn out to be no difference at all.

ALA's ranking system is also flawed. Different counties, cities, and states have different numbers of monitors. The more monitors, the more likely there will be a registered exceedance on any given day. This biases comparisons of localities against areas with more monitors. North Carolina has the sixth highest number of monitors in the country—more than New York. ALA makes no adjustment for this or any other factor in its rankings.

The ALA also abuses ozone statistics in measuring the number of people who are "at risk" from ozone. In reporting data from a county, an ozone exceedance from any one monitor counts against the entire county in spite of the fact that ozone is very localized. For example, during the summer of 2000, according to the methods used by the ALA, Wake County would register 20 high-ozone days. But no single location had anything like this number. In fact, on average monitors in the county showed only five days. This means that a typical Wake county resident living near a

monitor was exposed not to 20 high ozone days, but five.

## Exaggerating the risks

This allows the ALA to exaggerate the number of people who are at risk. Whenever the study cites a county as having an ozone exceedance day, even if only one monitor in the county is out of compliance, the entire population of the county that the study defines as "sensitive" is reported as being at risk.

For example, during 1998 in Wake County a monitor located in the lightly populated community of Fuquay-Varina registered four exceedance days that were not registered anywhere else. But the ALA listed the entire "sensitive" population including the population of the city of Raleigh as "at risk." This kind of hyperbolic reporting of health effects is nothing more than scare mongering meant to push the ALA's radical environmentalist agenda.

Each spring, when the ALA releases the results of its State of the Air study, the media uncritically reports the horror stories that it tells. Unfortunately, it is rarely asked how the studies are done or what information the results actually convey. In reality, the study is not the product of a legitimate scientific process and policy makers should view it in this light.

Dr. Roy Cordato is vice president for research and resident scholar at the John Locke Foundation.

**Each spring, when the ALA releases the results of its State of the Air study the media uncritically reports the horror stories it tells.**

# Economic Developers to Protest in 'Limo-cade'

*Nonprofit leaders and their corporate beneficiaries are indignant over Easley's seizure of their seed money*

By WILL JUSTIFY  
Perpetual Fiscal Crisis Correspondent

June 1, 2007  
RALEIGH

**B**ennie Getsome, president of Simply Constructed Objects, Inc., looked forlorn. North Carolina's dire, desperate, and breathtakingly bad budget crisis had finally claimed a victim everyone thought was protected: corporate incentives.

With the state government budget deficit approaching the \$1 gazillion mark, Gov. Mike Easley relinquished some of the best tools he has to lure the best, worst, and so-so of the world's industries to North Carolina.

"I thought we had a deal," Getsome said. "I was promised over \$4 million to relocate my company from Johnston County-West to Johnston County-East — but now this."

"This" was Easley's move to slash funds targeted for economic development incentives, through nonprofit organizations, by nearly 5 percent.

The governor's action was necessitated by the unrelenting downward budget spiral the state has faced the last seven years.

Getsome's company was affected when the economic development nonprofit agency Johnston Eastern Recovery Commission lost \$40,000 in promised funds. As a result, JERC had to reduce its offer to Simply Constructed accordingly, by about \$10,000.

"I had been pitting the Climax (N.C.) Area Economic Partnership against JERC, and Johnston's offer won out," Getsome said. "They had just that little extra cash, plus none of my employees really wanted to go to Climax."

Getsome says the deal he cut with JERC is now in doubt. The tentative agreement would enable Simply Constructed to expand from 32 to 38 employees at a pay rate of \$8 to \$15 per hour. The incentives would have offset sewer and water connection costs for the new building, as

well as a 3 1/2 mile road to the structure, a bike path, and a year's supply of Jujubes.

"I feel like we've been robbed," Getsome said. "That money belongs to deserving nonprofits, not the state."

Thomas Appointed, president of JERC, said because of Easley's holdbacks, his organization was unable maintain its staff of 18 and keep its full commitment to Simply Constructed, the only business this year to have a sniff of interest in eastern Johnston County.

"Look, I left a dependable government job to take this position," Appointed said. "I can't justify taking a pay cut. This situation is already costing me one of my \$30,000-a-year assistants."

The situation is reminiscent of when cities and counties years ago got angry over Easley's seizure of \$209 million in tax reimbursements. This time, two statewide groups are planning a protest in front of the Legislative Building in Raleigh.

The League of North Carolina Economic Development Nonprofit Agencies, and the North Carolina Association of Economic Development Recipients, are coplanning a "limo-cade" to the capitol, much like tobacco farmers staged their "tractor-cade" through downtown Raleigh in order to get money from the state tobacco settlement in 1999.

Smartly coiffed executive members of the Recipients organization plan to converge on Raleigh once their executive assistants can coordinate chauffeur schedules.

The League of Nonprofit Agencies already has a "networking convention" of its 2,043 member organizations scheduled for Raleigh during the next week, and hope the

rally can occur during that time.

Nonprofit executives and corporate recipients hope the rally will persuade the governor to work with them, and take more money from the cities and counties instead.

"Our businesses moving into these localities bring millions to these communities," Appointed said. "The least they can do is give some of that money back to the state."

Carrie Water, the governor's official spokeswoman, said the governor still considers the nonprofits a "useful economic tool."

"Right now, though," Water said, "that tool has to be a shovel to fill in the hole the General Assembly dug for the state."



*Some economic developers and their corporate beneficiaries plan to protest in style riding in this 2002 Cadillac Escalade in an upcoming Raleigh "limo-cade."*