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CAROLINA JOURNAL

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

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STATEWIDE EDITION

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Perdue Flight Provider Seeks GOP Senate Nod

Ramsey's history of support for Democrats an issue

BY DON CARRINGTON
Executive Editor

RALEIGH

Carteret County businessman Randy Ramsey, who has made substantial campaign contributions to Democratic Gov. Bev Perdue, former Democratic Gov. Mike Easley, and the N.C. Democratic Party, is running in a three-way Republican primary for the 2nd District state Senate seat.

Ramsey is the owner of Jarrett Bay Boatworks, a boat-building company located in Beaufort. He is a registered Republican, but his past support for Democrats, which includes air travel for Perdue and a \$2,000 contribution to her campaign in July, has outraged several Republican Party activists.

Before this year, he has given \$3,750 to Republican candidates, but more than 10 times that amount to Democratic campaigns and to the state Democratic Party.

Ramsey told *Carolina Journal*



Randy Ramsey, at right above, has drawn the ire of Republican activists in the 2nd Senatorial District for his past financial support for the North Carolina Democratic Party and its candidates, including providing air flights for Gov. Bev Perdue, at left above, during her 2008 gubernatorial campaign in an aircraft similar to the one above. (Airplane and Perdue photos by CJ's Don Carrington, Ramsey photo from ramseyforsenate.com)

that he gave to Democrats from eastern North Carolina and thought they would help his part of the state, but that he has "been disappointed" in them.

Moreover, either Ramsey or Jarrett Bay is connected with at least

four flights provided to the 2008 Perdue campaign, based on records from an investigation by the State Board of Elections. Ramsey says he recalls providing for two of the flights, but the records — provided by the Perdue committee — are spotty and incomplete,

making it difficult to connect payments with specific flights.

Two former Perdue fundraisers face felony charges related to unreported

Continued as "Perdue," Page 15

'Nugget' Lunch Episode Spurs Debate On Nutrition

Critics say changes needed to allow parental choices

BY BARRY SMITH
Contributor

RALEIGH

The substitution of a chicken nugget lunch at a Hoke County pre-kindergarten program in January has done more than raise a few eyebrows. It has raised the ire of many who believe that government is overstepping its regulatory bounds.

It also has focused attention on proper nutrition and raising awareness of childhood obesity.



Some, like state Rep. Justin Burr, R-Stanly, who oversees the budget subcommittee overseeing health and human services programs, suggest that a change in rules might be in order. "We certainly don't need a bunch of food

Nazis running around in the schools and private facilities and forcing kids to eat foods that their parents do not want them to eat," Burr said.

Others suggest that the Hoke County incident was an overreaction and that no revision in the rules is needed.

The nutrition rules, many of which have been in effect for decades, require pre-kindergarten and child care centers to offer healthy snacks and lunches, going as far as to specify how many servings a child must have in all of the food groups.

Those rules apply to both public and private centers. They even apply to boxed or bagged lunches packed by

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Teacher Brought To Tears During Questioning

By SARA BURROWS
Associate Editor

RALEIGH

After public outcry over the suspension and resignation of the preschool teacher involved in the nationally reported “chicken nugget” incident, and pressure from a state lawmaker to reinstate her, the Hoke County Board of Education released her personnel file and other documents March 19.

The file reveals three school administrators aggressively questioned teacher Margaret Maynor Feb. 16, repeatedly calling her a liar and bringing her to tears after she provided cafeteria food to a 4-year-old who brought a lunch from home that reportedly did not meet U.S. Department of Agriculture nutrition guidelines.

Notes taken at the Feb. 16 meeting also show school district officials confusing dates and sequences of events. They accused Maynor of lying, though the recollection of events she gave that day appears to be consistent with the account given to *Carolina Journal* by both the 4-year-old’s mother and state regulators who have reviewed the incident.

The school board voted to make the file public after Superintendent Freddie Williamson said the release of the information was “essential to maintaining the integrity of the board.”

“Media accounts ... have given the impression that Ms. Maynor was suspended with pay and eventually resigned simply because she substituted school lunches for home-packed lunches,” Williamson wrote in a letter to the board.

“Ms. Maynor was in fact suspended with pay because of her failure to cooperate fully with the investigation of the underlying events and her failure to provide timely, accurate information,” he said.

The decision to release the teacher’s file came after state Rep. G.L. Pridgen — who initially received the complaint from the parent whose preschooler’s turkey sandwich was replaced with chicken nuggets — sent a letter to the chairman of the school board expressing his outrage over the teacher’s suspension.

“Ms. Maynor, as I have been informed by parents, is highly regarded as a superior teacher,” said the Republican lawmaker who represents Hoke County. “For her to receive the brunt of this bungled situation is wrong.”

Pridgen went on to call Maynor’s resignation the result of “intimidation at the highest level.”

In his letter to the board, Williamson insisted that administrators had not intimidated Maynor, and that her resignation was voluntary. The board voted to release Maynor’s apology and resignation letter, and other “relevant personnel file information.”

The other information includes meeting minutes, transcribed by an unidentified person, of a Feb. 16 meeting at which three administrators questioned Maynor “to find out why a student with a lunch box was sent through the cafeteria line.”

Maynor’s questioners included Assistant Superintendent of Human Resources Cheryl Benson, Principal Jackie Samuels, and Director of the North Carolina Pre-Kindergarten Program Elizabeth Mitchell.

Benson, the human resources representative, started by telling Maynor it was her third chance to tell the truth about what happened Jan. 31, when a preschooler from her class “was sent through the cafeteria to get a lunch when she had a lunch box from home.”

Benson indicated Maynor had been given two previous opportunities to “tell the truth” — “the first time with Mr. Samuels and the second time with Ms. Mitchell.” No record of the previous two conversations was released.

Benson repeatedly asked Maynor whether she sent the girl through the lunch line “on her own” on Jan. 31 (although parents have claimed the incident happened Jan. 30, and there is no public record of the teacher saying it happened on Jan. 31). Maynor repeatedly denied sending any student through the line.

The minutes say: “Mrs. Maynor explains again that Mrs. Thomas [her assistant] seats the students with lunch boxes and she assists the ones going through the line.” Then they quote Maynor as adding “I do not remember sending [that particular] child through the line.”

According to the minutes, Benson responded: “Oh yes you do remember, you are just not telling the truth!”

“You told her to go! Do you realize this 4-year-old went all day long with only three chicken nuggets to eat since breakfast? And you still don’t remember? If you don’t remember what does that tell me about your knowledge in the classroom?” Benson asked.

At one point, according to the minutes, the teacher said, “When we sent the child through the line she didn’t have what she was supposed to have.”

Benson replied, “So you do remember!”

“I don’t know what I was thinking when you asked. I was thinking about Jan. 26, the day Mrs. Ellerbe was here (tears and more tears),” the transcript reads.

“Do you know how scared that child was and then to have to go all day with only three chicken nuggets?” Benson asked.

Even if the transcriber quoted Maynor correctly, the above admission of sending the child through the line Jan. 26 is consistent with statements from the Department of Health and Human Services. DHHS officials say the department’s consultant, Cecilia Ellerbe, “observed” the teacher send children through the lunch line whose homemade lunches didn’t meet USDA guidelines. No one from DHHS has said the teacher was wrong in doing so.

Regardless of what happened Jan. 26, the parents of the girl with the turkey sandwich maintain that a lunch tray containing chicken nuggets was placed in front of their daughter Jan. 30, and that she was not “sent through the lunch line.”

In his letter to the school board, Pridgen said, “I want to emphasize that the complaint by the parent was never aimed at the teacher. ... Mrs. Maynor was following instructions from her superiors [who were] instructed by DCDEE [Division of Child Development and Early Education, a division of DHHS].”

Pridgen ended his letter by insisting that Maynor “be reinstated to her former position.”

Pridgen is working on legislation with state Senate leader Phil Berger, R-Rockingham, to prevent schools from rejecting student lunches brought from home. CJ



Clockwise, from top left: Hoke County School Superintendent Freddie Williamson, West Hoke Elementary School Principal Jackie Samuels, N.C. Pre-K Program Director Elizabeth Mitchell, Hoke County Assistant Superintendent of Human Resources director Cheryl Benson. (Photos from West Hoke Elementary School website)

Analysts See No Path For Democrats To Retake Legislature

BY DAVID N. BASS
Associate Editor

RALEIGH

Republicans could strengthen their grip on the North Carolina legislature and recapture a majority in the state's congressional delegation in 2012, due in large part to a friendly redistricting plan. The first major step is the primary May 8, when the political parties will nominate candidates to compete in the fall.

Meanwhile, Democrats are playing defense in key districts and hope that a strong ground game from President Obama's re-election campaign in the Old North State will trickle down to help their state-level candidates.

By the close of the filing deadline in late February, 75 candidates had filed for congressional office, 54 candidates for executive-level office, and 413 for legislative office. Due to retirements or candidates seeking another elected position, 44 seats in the legislature, two executive-level posts, and three seats in Congress are without an incumbent.

The highest-profile open seat is for governor. Gov. Bev Perdue announced in late January that she would not seek a second term. Although he has five challengers in the primary, former Charlotte Mayor Pat McCrory looks like a shoo-in for the GOP nomination, analysts say. But the lineup is more competitive on the Democrats' side, where six candidates have filed.

Another factor sure to drive turnout in the primary is Amendment One, the only constitutional amendment referendum on the ballot. It would define marriage as the union of one man and one woman, banning civil unions and state recognition of same-sex marriages.

Adding to the equation, the Republican nomination fight for president might still be ongoing by early May, driving higher turnout among GOP voters.

No path to victory

At the federal level, Democrats hold a 7-6 majority in North Carolina's 13-seat congressional delegation, but Republicans should be competitive in four districts now occupied by Democrats.

In the General Assembly, Republicans have a 31-19 majority in the Senate and a 68-52 majority in the House. Given the fact that redrawn maps favorable to the GOP will be used for the elections this year, political analysts say that no clear path exists for Democrats to retake a majority in either legislative chamber.

"Democrats would literally have to have all the planets in exact alignment for it really to even press in the right direction," said Michael Bitzer, a political science and history professor



Republicans hold majorities in both houses of the N.C. legislature, and, due to redistricting maps drawn by the GOP majority, no way is seen for Democrats to regain their long-dominant position in the General Assembly. (CJ file photo by David N. Bass)

at Catawba College in Salisbury.

Connie Wilson, a former Republican state legislator who now works as a lobbyist in Raleigh, agreed. "The general consensus that I'm hearing from political insiders is that the party membership should remain about the same in both chambers," she said.

"The maps are drawn to drive Republicans' advantage to the max," said Ferrel Guillory, a journalism professor at the University of North Carolina at Chapel Hill and founder of the Program on Public Life. "It has had the effect of depressing competition in a lot of districts."

Guillory doubted that Democrats could blaze a trail to victory this year. "It may take another cycle for Democrats to figure out how to make advances under the maps as they were drawn," he said. "They need to get a sense of the dynamics of each district and get campaigns organized."

Council of State

A high number of executive-level offices have attracted attention from Republicans, partly because Democrats control seven of the nine posts on the Council of State and the GOP sees an opportunity to make the races competitive. Five Republicans have filed for lieutenant governor, superintendent of public instruction, and state auditor, respectively. Four Republicans have filed for secretary of state.

On the Democratic side, two candidates have filed to challenge Steve Troxler, the Republican agriculture commissioner, and three candidates will take on Cherie Berry, the Republican labor commissioner. Only one Democratic incumbent in the Council of State — state treasurer Janet Cowell — drew a primary challenge from her

own party.

One surprise: Attorney General Roy Cooper, a two-term Democrat, did not draw a Republican opponent, meaning that he is the de facto winner of the election.

Congress

Following the Republican redistricting plan, most observers agree that four of North Carolina's seven congressional seats occupied by Democrats are in play for the GOP.

Mike McIntyre, a Democrat first elected in 1996, is the incumbent in the 7th Congressional District, which now stretches from Wilmington to Johnston County. Ilario Pantano, the GOP's nominee in 2010, and David Rouzer, a state senator, are the top Republican contenders to take on McIntyre in the general election.

In the neighboring 8th Congressional District — stretching from the sandhills to Charlotte — Democratic incumbent Larry Kissell faces a perilous path to a third term. Five Republican candidates have filed in the district. Richard Hudson has the most GOP establishment backing, including endorsements from former U.S. Sen. Lauch Faircloth and current 5th District U.S. Rep. Virginia Foxx.

Encompassing the mountainous regions west of Asheville, the 11th Congressional District is an open seat due to Democrat Heath Shuler's retirement. Three Democrats and eight Republicans have filed to run. Shuler has endorsed his chief of staff, Hayden Rogers, for the post.

On the Republican side, Mark Meadows has gained the most backing from establishment Republicans and recently won the Buncombe County GOP straw poll.

In another open race, the 13th Congressional District, five-term Democrat Brad Miller is retiring after the district was redrawn to favor the GOP. Two Democrats and three Republicans are vying to replace him.

On the Republican side, George Holding, Paul Coble, and Bill Randall have filed. Holding is the former U.S. attorney for the eastern district of North Carolina, well-known in political circles for investigating former U.S. Sen. John Edwards and former Gov. Mike Easley. Coble is a former Raleigh mayor and current chairman of the Wake County Board of Commissioners. Randall ran for the seat in 2010 but lost to Miller.

N.C. House

Pundits are keeping a close eye on two races — House District 2 and House District 22 — likely to attract attention and money from outside the region.

In the first race, Republicans drew Reps. Jim Crawford, D-Granville, and W.A. "Winkie" Wilkins, D-Person, into the same district. Many times when two incumbents are "double bunked," one retires or seeks another office. But in this case, both incumbents are in the running.

Crawford is one of five Democrats in the House who sided with Republicans to override Perdue's veto of the state budget in 2011. Crawford also stepped across the isle to help override Perdue vetoes on several other key measures. In contrast, Wilkins voted with Democrats to sustain Perdue's veto of the budget.

In House District 22, Rep. William Brisson, D-Bladen, faces a primary challenge from fellow Democrat Matt Dixon. Like Crawford, Brisson parted ways with Democrats and supported the GOP budget.

N.C. Senate

Two Senate districts, once relatively safe for Democratic incumbents, have become competitive after redistricting.

In Senate District 18, three Republicans have filed for a chance to take on Sen. Doug Berger, D-Franklin, in the general election. Under the old maps, the district was composed of rural Franklin County and stretched up to skirt the Virginia border. Now, 68 percent of the district encompasses eastern Wake County, where more Republican voters were packed in.

Senate District 25 is another swing seat. Sen. Bill Purcell, D-Scotland, is retiring after seven terms in office. Four candidates, two Republicans and two Democrats, are competing to replace him.

The district still has a large share of registered Democrats, but they tend to vote for Republicans. Purcell barely staved off a Republican challenger in 2010.

State Briefs

UNC-G OKs religious club

The University of North Carolina at Greensboro will allow a Christian pro-life group on campus to be designated as a religious organization, The Associated Press reports.

The Alliance Defense Fund, a Christian legal action organization, had sued UNC-Greensboro on behalf of Make Up Your Own Mind, a campus group that supports abstinence until marriage and opposes abortion. Initially, the university decided that Make Up Your Own Mind didn't qualify as a religious organization. As a result, the group couldn't restrict membership to those with similar beliefs.

If the university had continued to deny the religious designation, the pro-life group technically would have been forced to accept abortion supporters as members.

"Public university officials step over the line when they decide to become theologians instead and declare that a Christian club isn't really religious," said ADF lawyer Jeremy Tedesco. "It is good to hear that UNC-Greensboro wants to right this wrong after more than 10 months of violating the club's constitutionally protected rights."

Praise on redistricting

A lobbying reform group has awarded three lawmakers for their stance during the 2011 legislative session in support of a bill that strives to take politics out of redistricting, the New Bern *Sun-Journal* reports.

The N.C. Coalition for Lobbying and Government Reform awarded Reps. William Wainwright, D-Craven, Norm Sanderson, R-Pamlico, and Pat McElraft, R-Carteret, during a ceremony at the New Bern Riverfront Convention Center.

The proposed law would authorize nonpartisan staff in the Legislative Services Office to prepare and submit redrawn districts to the General Assembly for a straight up-or-down vote. Under the present system, lawmakers have sole discretion over the rendering of legislative and congressional districts.

The House passed the bill, 88-27, in June. The Senate did not take up the measure but could during the short session.

"I think the time has come that we need to take the politics out of the redistricting process," Wainwright said while accepting the award. CJ

State, Fed Green Jobs Counts Differ Vastly

Millions in tax funds have been spent in job-count effort

By DON CARRINGTON
Executive Editor

RALEIGH

Two government-funded surveys of "green jobs" released in March show vastly different estimates for the number of green jobs in North Carolina, even though both studies were funded by the U.S. Department of Labor.

According to the "North Carolina Green Economy Study," produced by the N.C. Department of Commerce, "171,950 North Carolinians work in the green economy, representing 4.7 percent of the total covered employment in the state." Covered employment means employees covered by the state's unemployment insurance law.

Meantime, the federal Bureau of Labor Statistics released a study titled "Employment in Green Goods and Services — 2010" that includes estimates for both the nation and individual states. That study concluded that North Carolina employment in the production of green goods and services is 77,498, or 2.0 percent of covered employment. The Commerce estimate is 94,452 jobs higher than the BLS estimate, representing nearly 2.5 times more jobs.

Nationwide, the BLS study found 3.1 million green jobs in 2010, or 2.4 percent of total employment.

The state study found the occupations with the most green jobs are janitors and cleaners, retail salespersons, highway maintenance workers, construction laborers, and maintenance and repair workers.

The \$8 million BLS project follows \$48 million in stimulus grants that the Labor Department had made to individual states to produce their own green job definitions and estimates. North Carolina received \$946,000 for the Commerce study.

To develop the job estimates, both BLS and Commerce sent questionnaires to a cross section of business establishments, providing them with a definition for green jobs. Employers were asked to respond with the number of total jobs and the number of green jobs during the year 2010.

Defining green

Most green job studies, including the BLS study and the Commerce study, acknowledge that there is still no official national definition of green jobs, so counting them is a difficult task.

N.C. Study – Occupations with most green jobs

Janitors & Cleaners	7,750
Retail Salespersons	6,180
Highway Maintenance Workers	5,120
Construction Laborers	4,430
Maintenance & Repair Workers	4,230

N.C. Study – Industries with most green jobs

Manufacturing	26,580
Construction	25,460
Public Administration	17,160
Administrative and Waste Svcs.	14,980
Retail Trade	14,240

BLS Study – N.C. industries with most green jobs

Manufacturing	20,257
Construction	12,193
Administrative and Waste Svcs.	7,967
Trade (Wholesale and Retail)	5,931
Professional, Scientific, Tech. Svcs.	5,310

Source: "North Carolina Green Economy Study" and the federal "Employment in Green Goods and Services — 2010"

BLS defined them as jobs in businesses that produce goods or provide services that benefit the environment or conserve natural resources.

For North Carolina, Commerce analysts asked employers to assign employees to one of six green categories: energy-efficient building; biofuels and energy-efficient transportation; pollution prevention; the renewable power industry; sustainable products manufacturing; and education, consulting, or promotion supporting the other categories.

The results of the BLS study are expressed as green jobs by industry sector. The results of the Commerce study are expressed by industry sector and occupational classification.

BLS is working on a second study using a "process-based approach" that will try to capture jobs in "which workers' duties involve making their establishment's production process more environmentally friendly or use fewer natural resources."

Other state studies

A *Carolina Journal* review of other state green job studies found the state estimates varied considerably from the BLS estimate:

- Ohio: 22,192 (3.7 percent) green jobs BLS versus 17,059 (3 percent) state
- Indiana: 67,948 (2.5 percent) BLS versus 46,879 (1.7 percent) state
- Oregon: 54,953 (3.4 percent) BLS versus 43,000 (3 percent) state
- Michigan: 79,771 (2.1 percent) BLS versus 109,067 (3 percent) state
- Florida: 95,963 (1.3 percent)

BLS versus 42,422 (0.6 percent) state

The green economy

Carolina Journal asked Commerce Department spokesman Tim Crowley in an email how the state's study might be used.

Is there a distinct and separate green economy? "The N.C. study provides a baseline of the magnitude of green employment across North Carolina. Based on the results, green jobs are present in every sector of the economy. It also showed that many green jobs are subsets of more traditional occupations, including jobs like production workers, construction laborers, and HVAC installers as reported by the employer community."

How will the N.C. report be used by N.C. policymakers? "I cannot answer on behalf of the policymakers on how they will use this report but it does provide a baseline of green employment and can add to the body of knowledge regarding the green economy."

Will the BLS estimates make the N.C. report obsolete? "No. The North Carolina study, as well as the upcoming OES (second BLS study) information will both be useful in meeting the needs for information for customers. The N.C. study provides a baseline across all NAICS (North American Industry Classification System) classifications and also offers information at the economic development region level. Both the study and the upcoming OES information contribute to the body of knowledge regarding the North Carolina green economy. CJ

Bradley Faces Heavy Opposition in Efforts to Legalize Raw Milk

By SARA BURROWS
Associate Editor

While the demand for unpasteurized, “raw” milk is growing around the country, North Carolina remains one of 20 states where selling it is illegal. State Rep. Glen Bradley, R-Franklin, wants to change that.

But when the freshman lawmaker brought the issue up for debate at a meeting of the House Select Committee on Agricultural Regulations March 7, he faced a group of heavy hitters who adamantly oppose the legalization of raw milk.

Opponents include government health officials, dairy processors and distributors, and Monsanto, the world’s largest agricultural biotech company. All claim that raw milk is dangerous for human consumption, a potential source of food-borne illnesses including bacterial infections, and a health hazard the government must outlaw.

In contrast, supporters consider raw milk “nature’s perfect food.” As long as it comes from healthy cows eating grass in the sunshine, they say, it’s safer than pasteurized milk. They argue “Big Dairy” and “Big Agriculture” are behind the international push to outlaw the beverage, because the two industries create an inferior product coming from cows fed unhealthy grains and injected with hormones and antibiotics. Moreover, raw-milk backers say, the big boys fear competition from independent local farmers.

Since at least 1983, state law has required that only Grade A pasteurized milk be sold for human consumption. And since 1987, shipping unpasteurized milk across state lines has

violated federal law.

Since it isn’t illegal to consume raw milk from one’s own cow, until 2004 raw milk drinkers got around the law by purchasing a cow share, or partial ownership of a cow. Basically, they paid a farmer to board and milk “their” cows for them. In 2004, the General Assembly outlawed cow shares.

Since then North Carolinians have had to buy raw milk under the guise of “pet” milk, labeled “not for human consumption.” It has not been readily available because few farmers will risk being shut down if they’re caught knowingly selling raw milk as human food.

Supplying the demand

The number of dairy farms in North Carolina has declined steadily over the last several decades, Roland McReynolds, executive director of the Carolina Farm Stewardship Association, said to the committee.

Legalizing raw milk is “an opportunity for our remaining dairies to serve an existing and growing consumer demand while making the family dairies more sustainable and more profitable,” he said.

McReynolds said farmers are being approached by consumers willing to pay between \$6 and \$8 a gallon for raw milk, “compared to the \$1 to \$1.50 they get for selling milk for pasteurization to milk co-ops.”

Ruth Ann Foster, a chapter leader of the Weston A. Price Foundation — a nonprofit advocating organic farming

and less consumption of processed foods — said raw milk often sells for \$10 to \$12 a gallon.

“I get hundreds of emails and phone calls from people all over the state, from people looking

for sources of raw milk,” she told the committee.

Because there’s not enough to go around in North Carolina, a lot of people are going to South Carolina, she said, calling the ban a lost opportunity for North Carolina farmers.

Protecting the public

The opportunity is not worth the risk, said Glenn Jernigan, a lobbyist for the Carolina-Virginia Dairy Products Association and Monsanto, and a former state senator.

“I know we all like individual rights and individual privileges and individual choices ... but this is an issue that could seriously affect the health of North Carolinians, and it’s not an issue that should be taken lightly,” he told the committee.

According to the U.S. Centers for Disease Control and Prevention, 45 outbreaks of food-borne illness implicated unpasteurized milk or cheese between 1998 and 2005, Jernigan said. “That is 1,007 illnesses, 104 hospitalizations, and two deaths.”

“I want to remind you that the protection of our health should be at the top of our priority list,” he said.

In 2007, when then-state Sen. Kay Hagan proposed legislation relegalizing cow shares, interest groups from all over the country showed up to voice their disapproval, Jernigan said. Among them:

- The Carolina-Virginia Dairy Products Association
- The North Carolina Dairy Producers Association
- The North Carolina Farm Bureau
- The North Carolina State Grange
- The Agriculture Alliance of

North Carolina

- The state’s health director
- The North Carolina Association of Local Health Directors
- The North Carolina Department of Environment and Natural Resources
- The U.S. Food and Drug Administration

“I just want to report to you the opposition to removing the barriers to raw milk,” Jernigan said.

Right to drink milk

Fergus Hodgson, director of fiscal policy studies at the John Locke Foundation, said no matter the health or economic outcomes of raw milk, citizens have a fundamental right to consume it.

He cited Article 1, Section 1 of the North Carolina State Constitution, which guarantees the right to liberty and the pursuit of happiness.

Hodgson said there is a long list of developed nations — including Germany, Holland, Belgium, France, Denmark, Sweden, Poland, and Italy — that allow raw milk.

“These nations are hardly known for their respect for liberty, and yet in this regard people living there are freer than North Carolinians,” he said. “Even Great Britain, that nation Americans fought against for independence, has legal retail sales of raw milk.”

Hodgson said the CDC report Jernigan cited was out of date, as the agency has said at least one of those deaths resulted from eating fresh cheese produced from raw milk rather than drinking raw milk. He noted that the CDC estimates there are between 9 million and 10 million raw milk drinkers in the United States.

He also suggested lawmakers opposing the sale of raw milk may “favor lobbies that benefit economically from the status quo of restricted competition.”

Legislation

Bradley, who co-chairs the Select Committee on Agricultural Regulations, said the committee would be reviewing a variety of regulations related to agriculture. Raw milk regulations may or may not make it on the committee’s priority list for legislative action.

If not, Bradley plans to introduce his own bill that either would legalize the sale of raw milk, or, failing that, legalize cow shares.

“We were brought up to think America is the land of the free, but we’re drifting into this whole nanny state thing, where the government controls our every action for our own good,” Bradley said. “The freedom to pursue happiness implies the freedom to make mistakes. If you have a government that prevents citizens from making mistakes, you don’t have liberty anymore.”



This graphic, used on many websites promoting legalization of raw milk, contrasts unpasteurized milk to two widespread, unhealthy commodities governments allow.

Interested in N.C. history?
Visit the North Carolina History Project's Web site at <http://www.northcarolinahistory.org/>

The North Carolina History Project is a project of the John Locke Foundation

Department of Labor Giving National Job Data Security Review

Less concern over early release of data at state level

BY DON CARRINGTON
Executive Editor

RALEIGH

The U. S. Department of Labor has asked an outside agency to review the security controls designed to prevent early access to monthly employment data safeguarded by the federal government.

At the state level, there appear to be fewer security concerns, even though the early release of state data by Gov. Bev Perdue in August 2011 led the chairman of a congressional committee to demand additional information from Perdue and federal labor officials about the incident. For now, federal officials say they want states to protect this information, but they haven't offered specific guidelines.

Sandia National Laboratories

CNBC reported March 7 that the Labor Department has asked Sandia National Laboratories to review security issues surrounding the monthly job reports. Officials worry that monthly employment data could be leaking early, giving some Wall Street traders access to information that is supposed to be guarded strictly until its official release. Anyone gaining early access to this information could make major profits in securities markets by trading stocks before the employment numbers go public.

Sandia, with facilities in California and New Mexico, is under the U.S. Department of Energy's National Nuclear Security Administration. Part of its mission is ensuring the nation's nuclear weapons stockpile is safe and secure.

Carl Fillichio, a senior adviser for public affairs at the Labor Department, told CNBC no single incident prompted the security review. "Our concern is that it never happen, not that it has happened," he said.

'A tip-off'

But CNBC analyst Jon Najarian noticed unusual trading activity in the options market ahead of the Feb. 3 jobs report. "I thought the buying in S&P 500 was a tip-off that someone knew the numbers before the release," Najarian said.

The national jobs data, including the unemployment rate and the job estimates by industry sector, typically are released on the first Friday of every month. State-level data are usually released on the third Friday of every month by the agency housing the state's employment security program.

The department's Bureau of La-



Sandia National Laboratories, which normally is concerned with nuclear threats and national security, has been assigned to assess the security of jobs data. (Photo courtesy of sandia.gov)

bor Statistics produces the national and state-level employment data, with some assistance from each state's employment agency.

North Carolina data

Carolina Journal reported last year that Perdue violated a cooperative agreement between BLS and the state of North Carolina on Aug. 18 when she told the Rotary Club of Asheville that the state had lost 11,000 public-sector jobs in July. The monthly employment report was released to the public at 10 a.m. the day after her speech.

The state jobs report is little more than data collected and analyzed at the federal level by BLS that is sent back to each state's employment agency and reported to the public.

The states enter a cooperative agreement with BLS announcing the date of each month's job release by Dec. 31 of the preceding year and pledging not to disclose information from the jobs report while the embargo is in effect.

Perdue's slip amounted to a violation of the agreement, BLS regional director Janet Rankin in Atlanta told *Carolina Journal*.

According to BLS officials, Betty McGrath, then director of the Labor Market Information Division of the state's Employment Security Commission (now known as the Division of Employment Security in the N. C. Department of Commerce) reported the violation to the BLS regional office in Atlanta after seeing media reports of the Perdue comments.

Rankin followed up with interviews with ESC officials, including agency head Lynn Holmes. Rankin did not say if any further action was taken.

Advance look

In January, *CJ* reported that Perdue's press office has gotten an advance look at the embargoed data since January 2011, and perhaps before then. Documents and correspondence obtained by *CJ* showed that Perdue's staff received the information at least 24 hours in advance and used the early access to massage the monthly press release that reported job data to the public. The press office typically re-

wrote the text and added positive spin.

CJ suggested that the sharing of data may violate a federal law protecting the confidentiality of embargoed federal employment data. This report caught the attention of U. S. Rep. John Kline, R-Minn., chairman of the Committee on Education and the Workforce. In a Dec. 21 letter, Kline asked Perdue and U.S. Labor Secretary Hilda Solis to supply correspondence and other material related to the news stories to his committee.

On behalf of Solis, Brian Kennedy, Labor's assistant secretary for congressional and intergovernmental affairs, wrote to Kline. "I am pleased to correct some of the inaccuracies and misimpressions reflected in the online [*CJ*] posting and to further respond to your inquiry," he said.

Kennedy acknowledged the August incident with Perdue did occur, but took issue with *CJ*'s assertion that the early release was "quite likely in violation of federal law."

Kennedy also stated that the sharing of data with Perdue's office was permissible.

CJ's attempts to speak with Kennedy were unsuccessful, and a Labor Department spokesman told *CJ* that Kennedy doesn't speak to reporters.

Since Perdue's gaffe, BLS has had internal discussions about the guidelines the states are expected to follow.

An email warning

In September, BLS Associate Commissioner Pat Getz discussed the issue in an email exchange with fellow employees. The cooperative agreement with North Carolina, she said, "does not clearly state that LMI may give the estimates to the governor's office ahead of the release with the understanding that they must keep the data embargoed until the release date/time."

For now, however, BLS doesn't want to dictate early data-sharing guidelines to the states.

BLS spokesman Gary Steinberg told *CJ*, "Ideally, the data is contained as much as possible, but we let states decide how much it is contained. We tell everyone with access that it should be contained as much as possible."

N.C. Commerce Department spokesman Tim Crowley explained the department's procedures for preparing monthly employment press releases.

Several Commerce Department labor analysts and public affairs employees "review estimates cleared by BLS as final and ready for publication and prepare the press release and accompanying materials for distribution at the scheduled release time," Crowley said. "It's certainly appropriate to share estimates cleared by BLS as final and ready for publication with the governor's office." *CJ*

Visit our Wilmington regional page

<http://wilmington.com>



The John Locke Foundation has five regional Web sites spanning the state from the mountains to the sea.

The Wilmington regional page includes news, policy reports and research of interest to people in the coastal area.

It also features the blog Squall Lines, featuring commentary on issues confronting coastal N.C. residents.

Proposed Law Would Centralize Supplemental Teacher Retirement

BY BARRY SMITH
Contributor

Changes could be coming soon for voluntary supplemental retirement plans that are set up for teachers and employees of school boards across North Carolina.

Those supporting the changes say they would expand retirement plan options and reduce fees for teachers, while opponents say they would limit teachers' choices by squeezing out smaller companies that offer options across the state.

The state treasurer's office is in the process of setting up a centralized supplemental retirement plan for employees of local school boards. The retirement vehicle is called a "403(b)" plan, which is used by employees of nonprofits and government entities.

Contributions are made pretax, and the plans operate much like the 401(k) retirement plans used in the private sector. In the program, teachers contribute their own money in investment alternatives such as mutual funds or money market accounts. The 403(b) plan is an optional retirement plan, and any retirement benefits from it are a supplement to the benefits they receive from the state pension plan for teachers and public employees.

As many as 35,000 teachers currently participate in 403(b)s, the treasurer's office estimates.

Last year, the General Assembly passed and Gov. Bev Perdue signed into law a bill authorizing the treasurer's office to create the centralized plan. The new law authorizes the treasurer's office to select a statewide vendor for the centralized plan with the goal of leveraging lower administrative fees and enhanced services for teachers and other local school board employees.

Investment staff at the treasurer's office can recommend a variety of investment options (no fewer than three, the law says) to those who participate in the 403(b) program through the state vendor.

"This just sort of expands the menu a little bit," said Rep. Susan Fisher, D-Buncombe, who sponsored

the bill.

Chris DeGrassi, executive director of the National Tax Sheltered Accounts Association, said the new law could result in smaller, independent plan administrators being squeezed out of the market.

"It is the state going into competition with private business where there are plenty of private-sector options available," DeGrassi said. "Is it good for the state to compete with the private market?"

DeGrassi said that once the state plan is in place, the administrative burden placed on other providers would make it difficult for them to compete. That would lead to a monopoly in the state, he said.

Fisher disagrees, saying that the current situation amounts to a monopoly, as each governmental unit contracts with a provider or providers independently. "Ironically, that's what's been happening," Fisher said. Adding the centralized

provider is intended to open the market for other providers to participate, she said.

"This does not take them out of the game at all," Fisher said of the current providers. "It leaves the choice up to the educators."

Fisher noted the noncontroversial nature of the bill when it passed the General Assembly last June. The House approved the bill with three dissenting votes. The Senate passed it unanimously.

The new law authorizes the treasurer's office to use the state procurement practices to set up a vendor to administer the approved 403(b) plan for teachers and other schools employees. Julia Vail, a spokeswoman for the treasurer's office, said in an email that the office will set up a competitive bidding process to identify the state vendor in the next few months.

Vail said that the law would allow any school system adopting the state plan to retain its existing vendors.

"This new plan will also enable North Carolina school systems to offer a program with increased participant services, reduced participation fees, and confidence that their 403(b) plans are in compliance with IRS regulations," Vail said. CJ



COMMENTARY

Money for Schools And Votes for Fools

In late March, Gov. Bev Perdue embarked on a two-week campaign to promote a plan that would fund additional education spending by increasing the state sales tax. Perdue's statewide solicitation is just the start. Calls for significant increases in the public school budget will grow louder in coming months and reach a fever pitch when the N.C. General Assembly reconvenes in May.

Public school enthusiasts like Perdue do North Carolinians a disservice by focusing on education spending alone. Education expenditures and other inputs are only important insofar as they help communities achieve desirable and measurable outcomes.

That said, a large body of research indicates that the relationship between school spending and student performance is weak. Decades of significant funding increases for our traditional public schools have failed to spur commensurate gains in academic achievement.

Over the past four decades, real per-pupil spending in the United States almost tripled, and, as a result, the U.S. now occupies one of the top spots on international rankings of student expenditures. The story is similar in North Carolina. Since 1970, real per-pupil spending in the state more than doubled. According to the latest international data available, North Carolina's elementary and secondary schools would boast the sixth- and fifth-highest per-pupil expenditure in the world, respectively.

Yet, per-pupil expenditure statistics provide little information about the relative quality and productivity of public schools. The nation's performance on international tests remains average at best. Similarly, studies linking North Carolina's National Assessment of Educational Progress results to international test scores reveal that the state hovers around the international average in reading and math.

Despite skyrocketing budgets and mediocre outcomes, calls for throwing even more money at public schools resonate with voters. In the most recent Phi Delta Kappa/Gallup Poll, 44 percent of respondents identified funding as

the biggest problem for the public schools in their community. Why does the myth of the penniless school survive, even thrive, in the public mind?

A 2011 survey conducted by *Education Next* and Harvard University's Program on Education Policy and Governance found that beliefs about funding rely heavily on information and perception. To examine this in greater detail, researchers randomly assigned respondents to two groups — one informed of school district spending and one not provided that information.

Nationally, 59 percent of those who lacked information on spending believed that public schools needed additional resources. On the other hand, only 46 percent of those informed of their district's spending level thought that public schools should receive more funding. Among parents, the gap was wider.

Support for increasing education spending was 73 percent for the uninformed group and 56 percent for the informed group. In other words, many citizens believe schools are underfunded but do not have a factual basis for that belief.

In addition, relatively few respondents were willing to accept higher taxes to pay for education spending increases. A majority of respondents from each group thought that taxes should stay at current levels. Overall, only 28 percent said that local or municipal taxes, which are the primary funding sources for most U.S. public school districts, should increase.

A February 2012 Civitas Institute poll had similar results. This survey of registered voters in North Carolina found that nearly seven of 10 respondents opposed increasing the state sales tax to boost funding for education. Opposition to the idea was consistent across all demographic characteristics and political ideologies.

The bottom line is that North Carolinians need to become better informed about education and taxes. That's why we're here. CJ



TERRY STOOPS

Terry Stoops is director of education studies at the John Locke Foundation.

State Board Approves Charter Schools Despite Vocal Opposition

By DAN WAY
Contributor

RALEIGH

The State Board of Education in late February approved the creation of nine charter schools in the first wave of expansion since last year's General Assembly lifted a 100-school cap.

Some board members expressed lingering concerns that charter school diversity may not reflect the general population, traditional public schools will be squeezed by loss of dollars to the charters, and charter schools may enroll a disproportionate number of well-to-do students.

"I think those are legitimate issues," board chairman William Harrison said. "At this point, those issues would not be adequate for us to deny a charter."

Harrison cautioned board members to remember "they are public schools. For some reason [the relationship] has gotten off to an adversarial start, and I don't think it needs to be that way" between charters and traditional schools. He urged cooperation.

'Better opportunities'

"The end result will be better opportunities for all kids," Harrison said.

The new schools chartered to open in August are:

Bear Grass Charter School in Martin County, Cornerstone Charter Academy and High Point Preparatory Academy in Guilford County, Corvian Community School in Mecklenburg County, North East Carolina Preparatory School in Edgecombe County, Research Triangle High School in Durham County, Howard and Lillian Lee Scholars Charter School in Orange County, Triangle Math and Science Academy in Wake County, and Water's Edge Village School in Currituck County.

State Treasurer Janet Cowell was the most outspoken critic on the board as the votes neared. She repeatedly raised questions about approving schools with applications that were flagged by state education officials for deficiencies.

"There's a lot of trust and faith in these votes," Cowell said.

"It would be nice if we had some supporting data ... that a deficiency has been resolved to the satisfaction of the committee," board member John Tate of Charlotte agreed.

"How do we monitor" the progress of charters in complying with the remedies they said they would implement in order to gain state charters, Tate asked.

Board member Shirley Harris of Troy wanted to know about long-term vigilance.

"How do we, as a board, monitor and provide the oversight to make sure we do not have schools that are

not meeting the needs of the kids?" she asked.

Board member Chris Greene of High Point appeared unnerved with some of the complaints.

"We accepted without question the transportation, facilities, all of those parts of the rubric on any of those schools" flagged with deficiencies after they were examined by the Office of Charter Schools and the North Carolina Public Charter School Advisory Council and during board committee and subcommittee meetings, Greene said.

"If we didn't question those that were approved the first time, I'm not sure why we're questioning the advisory board" decisions, Greene said.

"I respectfully disagree," Harrison said, trying to quell the back and forth. "We had questions last month ... we had a number of questions yesterday," and satisfactory answers were given.

"This is just the final go-round. I want each school to stand or fall on their merits," said Harrison, who directed staff to explore ways to give the board the most up-to-date information on future charter votes.

"I want each school to stand or fall on their merits," said Harrison, who directed staff to explore ways to give the board the most up-to-date information on future charter votes.

Training and visits

Joel Medley, director of the Office of Charter Schools, said the state began providing comprehensive training to charter organizers in late March. Training will continue once a month for four months, after which site visits will be conducted.

"If [charter operators] have not received that certificate of occupancy" to open in their school site by August, "then money will not begin to flow to that school," Medley said. The board approved a motion to nullify fast-track charters for schools unable to open by the starting date. They would be allowed to submit another application the following year.

Darrell Allison, director of Parents for Educational Freedom in North Carolina, a charter school advocacy organization based in Raleigh, and a board member of Research Triangle High School, applauded the approval process and the results.

"Was it a painful process?" Alli-

son said. "Yes. However, did it cause the charter application members to sharpen their sword" and make necessary revisions and improvements where concerns were raised? "Yes."

"The idea that, because we eliminated the cap on charter schools, somehow it's going to be the wild, wild west" in education is misguided, he said. "We don't minimize [academic] quality."

Pamela Blizzard, executive director of the Contemporary Science Center, from which Research Triangle High School was spawned, called the process "an emotional roller coaster."

The charter will implement innovative techniques to deliver

STEM education — Science, Technology, Engineering, Math. It drew opposition from the Durham County commissioners, school superintendent, school board, and mayor. They lodged concerns about the charter's financial impact on district schools, its transportation and meal plans, and whether its diversity would be reflective of the community.

The charter already has 115 applications for the initial 160 student slots,

Blizzard said. Only 39 percent of the initial applicants are white. The rest are African-American, Latino, biracial, and multiracial. School officials are interviewing teacher candidates daily, she said.

The school will be located in Research Triangle Park.

"The deal isn't signed yet. We're working with a developer who has property on both sides of the [Wake-Durham county] line," Blizzard said.

'Autonomy and flexibility'

Blizzard maintains that charter schools "have the autonomy and flexibility" to be more tolerant of innovation. Charter schools are education laboratories where creativity is easier to foster than in large school districts, she said.

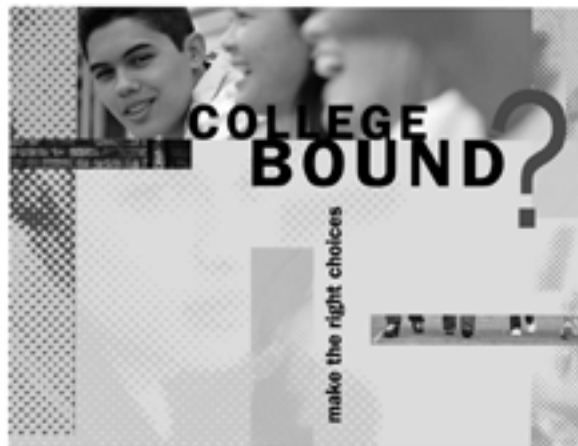
"Charter schools have absolutely led the way" in closing the achievement gap for urban students and children of color and in getting them prepared for college, Blizzard said. Those methods can then be shared statewide.

Angela Lee, who's spearheading the Howard and Lillian Lee Scholars Charter School in Chapel Hill, said the school's goal is to reduce the achievement gap between minority students and white students. She does not believe opposition from the Chapel Hill-Carrboro City Schools and NAACP will persist.

"I can't imagine why we wouldn't be able to work with the NAACP and any other members of the community" now that the charter was approved, Lee said. "I think we are all interested in the well-being of our kids in the community. I'd like to think we can all work together for the good of our kids' education." CJ



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Thousands Wait to Enroll Children in Charter Schools

BY DAN E. WAY
Contributor

UNINSPIRED by traditional public schools in the Charlotte-Mecklenburg Schools district because of concerns over crowding and teacher turnover rates, Hillary Halstead waited with high hopes and crossed fingers that her daughter, a rising kindergarten student, would be selected in an enrollment lottery to attend a public charter school this fall.

"It's very disheartening and disappointing," Halstead said of not getting selected. "Your chances are very, very low if you don't get in to the kindergarten" that a child will be selected in future charter school lotteries.

"The problem is they're in such high demand," she said. Once selected, students do not have to re-enter subsequent years' lotteries as they move up in grade levels.

"People generally don't leave the charter schools unless they move out of the area," and siblings of current students get priority for slots that do open, Halstead lamented.

Waiting lists explode

She is not alone. Waiting lists for North Carolina charter school seats have exploded into the tens of thousands statewide, and education officials are uncertain whether the bulging queues will recede even with more charter schools approved to open this year.

Education officials and advocacy groups are pondering ways to use those swollen waiting rolls better for practical and policy applications.

Up to now, the waiting lists' most viable function was to demonstrate the legislative need to eliminate the statutory cap of 100 charter schools, said Joel



Medley, director of the Office of Charter Schools in the state Department of Public Instruction. The State Board of Education approved the first nine new charter schools in late February.

Medley said charter schools performing well academically with long waiting lines pose a study opportunity.

"You're probably going to want to look at that school for best practices. Parents really want to get into that school. Let's see why," Medley said.

"We had almost 29,000 last year on the wait list," and that was with only 80 of the 100 charter schools responding to a survey, Medley said.

"It stands to reason it could be above 30,000" names on waiting lists this year, Medley said. The survey won't be taken until after the enrollment period concludes in April or May, when some of the new charters complete their initial process.

It's unclear whether the new charter schools will trim waiting lists or spur a larger wave of interest and waiting lists, Medley said.

Either way, the total probably doesn't reflect the number of people who want to enroll their children in charter schools.

"People just hear from others about waiting lists, and you don't rush to get on a waiting list unless it's at a restaurant," said Eddie Goodall, executive director of the Charlotte-based N.C. Public Charter Schools Association.

Based on conversations with charter schools, Goodall believes "there's tens of thousands" of interested students not showing up on the waiting lists. That's because many parents don't want to wade through a school's application process already choked with hundreds, in some cases thousands, of lottery candidates. Others still mistakenly believe charter schools charge tuition, Goodall said.

Limits to growth

Darrell Allison, executive director of Raleigh-based Parents for Educational Freedom in North Carolina, said tracking the size of waiting lists might justify increasing the levels of enrollment the state allows annually at individual charter schools. The state currently allows an increase of 20 percent, up from the previous 10 percent.

"Who knows, maybe this opens up the door for us to re-examine that" in a few years, Allison said. "There may be a case to be made for increasing that percentage by an additional 5 or 10 percent."

Charter schools on a higher rung of excellence could be rewarded with a bonus percentage increase as an incentive to reach that measure of success, Allison said.

Voyager Academy High School in Durham will not take advantage of the 20 percent enrollment allowance that takes effect this year.

Principal Cory Draughon said Voyager is operating under the original growth plan approved by the state when it issued a charter to the school. Voyager can add 300 students under that plan, but would be limited to about 160 if it opted for the 20 percent rule. Voyager will add kindergarten through second grades and 11th grade in 2012-13.

"Amazingly, we had 2,900 applications this year. That's our biggest year yet," Draughon said.

Draughon said charters have varying methods of conducting lotteries. Given the huge waiting lists and

the possibility of confusion among parents trying to determine how to navigate the varied lottery systems, he wondered if the state could explore "a digitized program where parents could get an account and check in on their information."

Kevin Green, a director at Community School of Davidson, in Davidson, is a proponent of data collection. He suggested expanding waiting list information to distill trends.

As an example, he said, it could be determined regionally whether more parents from North Mecklenburg than South Mecklenburg apply to charter schools. That could provide a basis for follow-up on the reasons why.

Green said "it would be interesting" to be able to segregate data to show whether parents are looking for a particular type of education offered by a specific school, or just seeking an alternative to traditional public schools and applying to multiple charter schools.

Indeed, Halstead said, "We've been applying to all the charter schools within 20 miles" in an attempt to get her daughter into a charter school setting. That included Community School of Davidson, Pine Lake Preparatory in Mooresville, Mountain Island Charter in Mount Holly, Lincoln Charter School in Denver, and Corvian Community School in Huntersville.

Lotteries a selection tool

"It's kind of bittersweet to have the lottery because you disappoint so many people," Green said. "We had our lottery a couple of weeks ago. We had over 3,400 applicants. We just had kindergarten openings, so we admitted 25 kindergartners."

Allison's organization used last year's state data to carve the state roughly into three regions. Community School of Davidson is in the western region.

"They have 37 charter schools in that region, and when you add up the numbers of families on waiting lists that's close to 15,000," he said.

The eastern region has 23 charter schools with 1,500 students on waiting lists. There are 40 charters in the central region with "close to 12,000" on waiting lists, Allison said. CJ

Locke, Jefferson and the Justices:

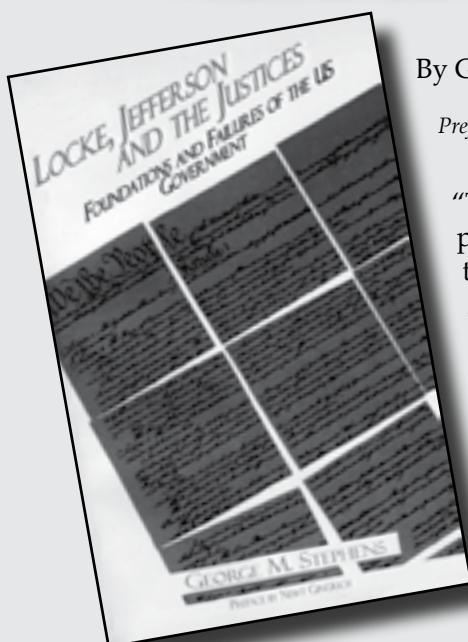
Foundations and Failures of the U.S. Government

By George M. Stephens

Preface by Newt Gingrich

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

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Former Speaker
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Town and County

Meck property revaluation

Mecklenburg County's property revaluation process is causing considerable controversy. At issue is how the county handles foreclosures in determining property values, reports *The Charlotte Observer*.

The county recently has agreed to re-examine property values around Lake Norman after a large number of property owners protested the new valuations on their properties.

"[Reviewing the assessment is] a step in the right direction, but if the parameters ... are not also reviewed, then we will end up at the same place," said Cornelius Commissioner Lynette Rinker. "Just comparing them to the same yardstick isn't going to change the outcome."

Mecklenburg County factors foreclosures in determining property values only if foreclosures make up at least 10 percent of the transactions in an area. Only two portions of the county meet the 10 percent threshold.

County Commissioner Bill James has asked county staff to consider the impact of foreclosures throughout the county, which would reduce property tax valuations.

Buncombe hotel-motel tax

Like many local governments, Buncombe County imposes a hotel tax as a means to fund tourism-related economic development projects and other needs. Buncombe County's tax differs from others, though, by giving local officials much less say in how the revenues are spent compared with other local governments in the Southeast, reports the *Asheville Citizen-Times*.

The Buncombe County Tourism Development Authority determines how hotel tax money is distributed by holding a competition to determine which capital projects to fund. Nonprofit and private for-profit businesses can apply for TDA funding.

Among the projects awarded funding recently was Navitat Canopy Adventures, a privately owned zipline business in Barnardsville. It was awarded \$500,000 to expand.

"This will put Asheville at the epicenter of canopy tour adventures in the nation," said Ken Stamps, the company's CEO. "Our goal is to make Asheville the premiere destination for canopy tour adventures." CJ

Report Shows Cost of City, County Governments

Average N.C. resident pays more than 4.5 percent of income

BY CJ STAFF

RALEIGH

The average North Carolinian surrendered more than 4.5 percent of his personal income to fund city and county government in the 2010 budget year, according to a new report from the John Locke Foundation.

That's one of the key conclusions in the latest edition of *By The Numbers*, JLF's yearly look at tax and fee collections by local government in North Carolina.

"The typical resident of the median county in North Carolina paid \$1,242 in taxes and fees to county and municipal governments," said report author Michael Lowrey, a John Locke Foundation policy analyst.

Nominal (not adjusted for inflation) local collections essentially were flat in fiscal year 2010 as compared to the previous year. Because of inflation and population growth, those dollars went further for local governments in 2009, though, when inflation-adjusted revenues for the median county were \$1,321 per capita.

Local government taxes and fees came to 4.08 percent of per-capita personal income in the median county in fiscal 2010, down from a 2009 tally of 4.33 percent of per-capita personal income.

"The impact of the Great Recession was not felt equally throughout North Carolina, however," says Lowrey.

"In the median county in the state, nominal per-capita personal income actually was up slightly from 2008 to 2009 (\$30,427 to \$30,494). The state's major urban areas — and Mecklenburg County in particular — saw sharp declines in per-capita personal income, resulting in a \$800 drop in PCPI statewide. As a result, the statewide local tax burden remained the same at 4.52 percent of personal income in both FY 2010 and 2009."

Calculating burdens

State law requires each county and municipality to file audited reports, which are available on the Web, with the N.C. Treasurer's Office each year.

By The Numbers builds on that data and examines property taxes, sales taxes, and total local government collections of all taxes and fees for counties and municipalities for fiscal 2010 (July 1, 2009, to June 30, 2010), the latest year for which data are available.

For each of the three categories,

a revenue per-capita figure was computed. Countywide figures also were calculated as a percentage of per-capita personal income.

Counties also are ranked against each other for both their per-capita collections and collections as a percentage of personal income. Municipalities are sorted by population and ranked within four population ranges (less than 1,000 population; 1,000-4,999; 5,000-24,999; and 25,000 or more).

While *BTN* shows the cost of local government, it does not attempt to measure the quantity or quality of services provided in exchange for those dollars. Nor does the report consider the additional out-of-pocket costs to individuals for services that their local governments may not provide.

In unincorporated areas, for example, homeowners might have to contract privately for garbage pickup, while those living in a town or city might receive this service, paid for through municipal property and other taxes. Municipalities also might use some tax dollars to provide a higher quality of fire protection, which might translate into lower homeowners' insurance rates.

"Importantly, this means that whether a jurisdiction is ranked high or low in cost of government is not the end of the debate over fiscal policy — it is merely the beginning," the report said. "Citizens of North Carolina's cities and counties must decide whether the services they receive are worth the price they and their fellow taxpayers (residential and business) are paying in local taxes and fees."

Work on this year's report was complicated by a number of localities not filing audit reports with the state in a timely manner. Two counties — Hoke and Sampson — and 53 municipalities did not file their reports in a timely manner, and information on them is still not available from the treasurer's office. Harnett County's report was incomplete.

The cost of local government

Dare County residents paid the highest amount in taxes and fees to county and municipal governments (\$3,926 per capita). The counties of Mecklenburg (\$2,460), Currituck

(\$2,398), Orange (\$2,219), and Durham (\$2,156) also ranked in the top five in revenue collected per capita. The results for several of these counties reflect their popularity as vacation destinations. Second homes and resorts do appear on local tax registers. Because owners or renters rarely live in these

dwellings year-round, however, such localities typically have small permanent populations. High tax values divided by a small permanent population will produce a high per-capita tax burden.

Residents in the counties of Caswell (\$770), Gates (\$801), Greene (\$814), Alexander (\$857), and Yancey (\$857) paid the lowest average amounts in taxes and fees to

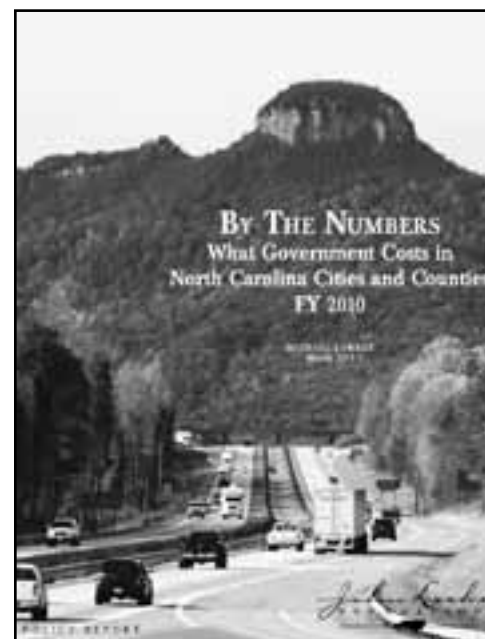
local governments.

As per-capita personal incomes vary widely across the state — from a high of \$47,925 per person in Orange County to a low of \$24,807 in Yancey County — looking at tax burdens as a percentage of personal income produces somewhat different results. Dare County again led the way with county and municipal revenue accounting for 10.46 percent of per-capita personal income. Second through fifth were the counties of Hyde (7.23 percent of per-capita personal income), Brunswick (6.90 percent), Currituck (6.74 percent), and Mecklenburg (5.77 percent).

By comparison, taxes and fees collected by local governments accounted for 2.47 percent of per-capita personal income in Onslow County. Next lowest were Caswell and Jones counties at 2.58 percent and 2.87 percent of per-capita personal income, respectively. In 42 counties, total collections were at 4 percent of per-capita personal income or less.

Among the 35 municipalities with a population of 25,000 or greater, Charlotte residents again paid the greatest amount in taxes and fees to support local government, with combined city and county revenue coming to \$2,290 per person. The next highest tax and fee burdens were in Chapel Hill (\$2,282), Wilmington (\$2,140), Asheville (\$2,126), and Mooresville (\$2,096).

The entire *By the Numbers* report is available online at www.johnlocke.org/research/. CJ



Railroad Companies Not Saying They're On Board With Wake Plan

BY SARA BURROWS
Associate Editor

The Wake County Transit Plan proposes building commuter rail from Durham to Garner and light rail from Cary to Raleigh. The plan assumes cooperation from three private railroad companies, but so far none of the companies has given permission to use its tracks.

As county commissioners consider whether to put a "transit" tax — a half-cent sales tax increase — to pay for the estimated \$4.6 billion rail project on the ballot this year, the railroad companies upon whose involvement it depends haven't signed off on the proposal.

Proposing a tax increase without gaining approval from the railroad operators isn't unusual, but getting the eventual go-ahead could raise the final cost of the project dramatically.

The commuter trains described in the plan would need to share tracks, or at least paths, with two private railroad companies — Norfolk Southern and CSX — and the North Carolina Railroad, a privately run, state-owned company.

Carolina Journal asked all three railroad companies if any planned to give Triangle Transit permission to use their lines.

While CSX has not responded to *CJ*'s queries, representatives from Triangle Transit and the other two railroad operators say no agreements have been made.

"Triangle Transit has met with the North Carolina Railroad Company, NCDOT Rail Division, Norfolk Southern, and CSX to share elements of the Wake and Durham transit plans," said Brad Schulz, communications officer for Triangle Transit.

"No agreements are in place, which is normal for this early stage of project development," Schulz said. "Agreements will be necessary as these projects proceed into preliminary engineering, which would be spring 2013 at the earliest."

In an email, Robin Chapman, director of public relations for Norfolk Southern, said Triangle Transit "has met with NS and NCRRR and had preliminary discussions concerning the concept. There is much to be done, but all parties seem to be willing to pro-

ceed in a deliberative and cooperative manner."

NCRRR President Scott Saylor said while he wouldn't be opposed to allowing commuter trains on his freight line — which runs from Hillsborough to Clayton — there are several expensive improvements that would need to be made.

"We have an agreement with Norfolk Southern that does provide a mechanism for allowing commuter operations on our line if certain conditions are met," Saylor said.

Those conditions include additional tracks, safety features, and liability insurance.



"It would be too busy without additional tracks," Saylor said. "Right now we have Amtrak operations on that railroad, but to run additional frequencies of commuter trains would require additional tracks — additional bridges, signals, and stations."

Saylor said there would have to be enough tracks so that the company's freight business was not "impaired" and that could cost "hundreds of millions of dollars."

Norfolk Southern and CSX probably will make demands similar to those of NCRRR, said Randal O'Toole, a transportation scholar at the libertarian Cato Institute.

"I've never heard a rail line say no to this kind of proposal, but they do demand lots of concessions," O'Toole said.

O'Toole interpreted a February letter from Norfolk Southern expressing concerns about Charlotte's Red Line as a negotiating stance, not a flat-out rejection.

In the letter, the railroad said plans for a "dual" commuter-freight rail line on Norfolk Southern tracks were "fundamentally incompatible" with the railroad company's plans to expand freight service.

"Everything's negotiable. If you give them enough money, they'll be interested," O'Toole said.

That's what happened in Illinois, O'Toole said, when the state wanted to run high-speed trains on Union Pacific tracks between Chicago and St. Louis.

"They double-tracked the entire line at taxpayer's expense, which significantly expanded the capacity for freight and passenger [rail]," he said. *CJ*

COMMENTARY

Wilmington Stadium Proposal Strikes Out

Wilmington city leaders find themselves at an interesting crossroads.

As the local economy struggles to move forward, city council is discussing the construction of a \$40 million, taxpayer-funded, 6,500-seat "multi-use" stadium, primarily to host a minor league affiliate of the Atlanta Braves.

Hall of Fame pitcher Bob Lemon once said, "Baseball was made for kids and grown-ups only screw it up." The spirit of Lemon's quote is captured with the reality in the Port City. Civic leaders should unite the area behind a grand endeavor, but instead they're dividing it unnecessarily by making a potentially bad decision.

Expecting taxpayers to subsidize facilities for profitable teams is a questionable idea under the best of circumstances. If the stadium proposal truly were visionary and worthwhile, then private investors would have construction plans already in place.

Recent history is replete with bad decisions regarding sports facilities. The original New Jersey Meadowlands stadium was demolished even though taxpayers still owe part of the \$110 million construction costs. The stadium was replaced because the Super Bowl champion Giants needed a new place to play.

Folks in Seattle, Philadelphia, and Indianapolis also are paying for stadiums that have been torn down, according to *The New York Times*. *The Times* additionally documented that Houston, Memphis, Pittsburgh, and Kansas City, Mo., are paying for facilities that have been abandoned by the teams for which they were built.

But those are big cities with big names, you might say. Yet even North Carolina has its share of taxpayer boondoggles. Winston-Salem and Forsyth County funded a stadium that had an initial price tag of \$22.6 million. Cost overruns pushed that figure to almost \$50 million.

Moreover, when a team signs a lease to occupy a new stadium, it has no obligation to repay taxpayers if it decides to move. The lease

could be broken, but the taxpayer debt would remain.

The situation in Wilmington is compounded by tax revaluation and budget shortfall realities. The tax base has taken a beating, dropping more than 12 percent in this revaluation. Promises were made to taxpayers that the convention center would increase the tax base, and it hasn't. And budget shortfalls are projected at between \$4.5 million

and \$13 million without a baseball stadium in the mix. Funding a stadium would require a significant property tax increase.

State funding is off the table as the General Assembly is in no mood for new taxes and New Hanover County Commission Chairman Ted Davis was adamant that the county has no interest in paying for this endeavor.

Yogi Berra once said, "I wish I had an answer to that because I'm tired of answering that question." Mayor Bill Saffo has been channeling Berra as of late.

In September 2011, when Saffo was running for re-election, he said he would not support raising property taxes to build a baseball stadium. During a press conference announcing the baseball discussions, he backtracked a little by saying a stadium would require a tax increase. And in a recent radio interview, he said a 20-year lease would cover some expenses, but new taxes would be needed. The rest of the current council members who were running at the time also opposed raising taxes.

An overtaxed public should not be pulled into such risky propositions. If city leaders desire such projects, they should bring business leaders, entrepreneurs, and stakeholders together to fund it. Doing so could unite needlessly divided communities over issues that should be discussed with fondness rather than frustration. *CJ*

Chad Adams is host of "Mornings w/Chad Adams" on the BigTalker FM, a former vice president of the John Locke Foundation, and a former Lee County Commissioner.



CHAD ADAMS

Spencer Officials Object to Salisbury Broadband Subsidies

By SAM A. HIEB
Contributor

GREENSBORO

A controversy is brewing in Rowan County between the City of Salisbury and the Town of Spencer over funding for Salisbury's municipal broadband system.

At issue is Salisbury's use of funds from the city's water-sewer capital reserve fund to support Fibrant, the municipal broadband system that went online in late 2010, financed with \$33 million in debt.

Fibrant has been reliant on "interfund loans" to shore up its operations until it becomes self-sustaining, which officials hope will occur by 2014.

Over the past two years, Fibrant has borrowed almost \$5 million from the city's water and sewer capital fund at a 1 percent interest rate, according to the *Salisbury Post*.

Such loans have sparked concern among public officials in Spencer. Salisbury took over Spencer's water system in 2000 when compliance issues became cost-prohibitive.

Spencer officials are concerned that fund transfers to Fibrant violate the water-sewer agreement between the two municipalities.

Town Alderman Jeff Morris points to paragraph nine of the contract, which states, "[a]ll revenues of [Spencer Utility Department] shall be used exclusively by the water and sewer fund and shall not be used to subsidize any other operations."

"If you're using water and sewer money as your own little slush fund, and you continue depleting it, you're going to have to increase your reserves, and the way you do that is raise rates," Morris told *Carolina Journal*.

Such concerns have prompted Spencer to seek legal counsel. Aldermen voted in February to send out a request for qualifications for attorneys to handle the matter, and the proposals will be reviewed at a later date.

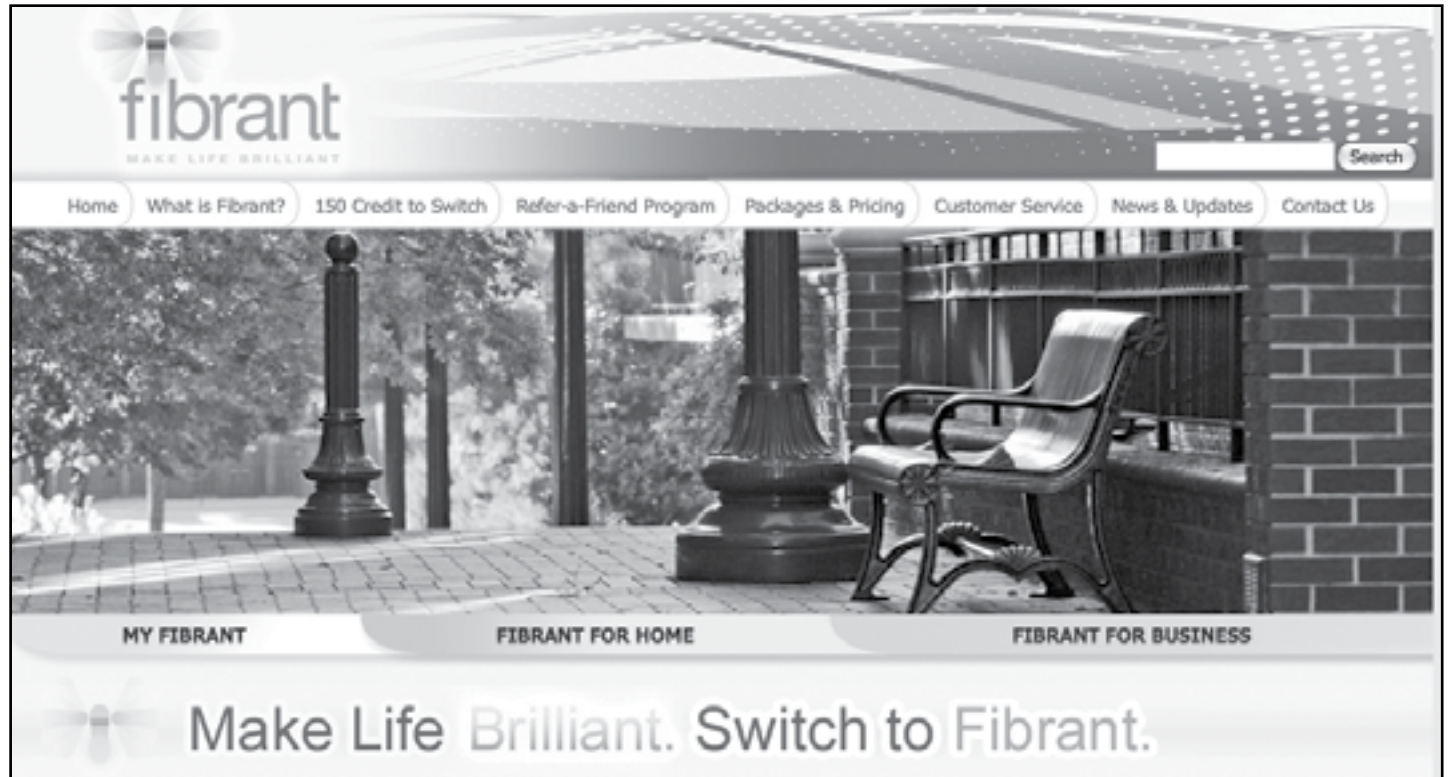
Salisbury has sought legal advice from Randy Tinsley, a Greensboro attorney who handles utility issues for the city.

In an email to city council members, Salisbury City Manager Doug Paris said Tinsley "has reviewed our agreement with Spencer and has shared that the agreement is not breached by the loan to the broadband utility during its startup phase."

CJ was unable to learn what legal precedent Tinsley relied upon. He did not reply to repeated requests for comment.

Paris' email also took note of an effort to put a nonbinding referendum on the ballot that would allow voters to determine whether Fibrant would be allowed to expand into Spencer.

Paris did not return phone calls, but in emails to CJ he repeated the



The website for Fibrant markets itself to homes and businesses, and offers a \$150 incentive for those wishing to switch from a different broadband provider to the Salisbury municipal broadband network.

view that without the water-sewer agreement, Spencer residents would be paying much higher water rates.

"The consolidation was a huge win for Spencer residents who saw immediate rate relief of 19 percent, and further rate relief in not having to invest in \$3.6 [million] in wastewater plant improvements," Paris wrote. "If the agreement had not taken place, our estimate would have had Spencer at between 30-40 percent higher rates than Salisbury. It is important to understand and communicate the history."

Morris said he approved of the agreement with Salisbury. He's just concerned that Salisbury is not living up to the terms of the agreement.

"It was not a mistake," Morris said. "All we need for them to do is abide by the contract."

A 2009 John Locke Foundation report on Fibrant concluded that "[b]y investing millions of dollars in this telecommunications project, Salisbury officials are irresponsibly risking taxpayer money," adding "the city should be managing its essential services before taking on such risky and expensive ventures with taxpayer money."

The report also concluded that Salisbury would need subscription fees from 28 percent of city residents to cover Fibrant's costs, suggesting that the city "has been overly optimistic" about reaching that market share.

Information provided by the city says that as of March 5, Fibrant was providing service to 1,702 customers, a 15 percent market share after one complete year of operation.

That said, the 28 percent market share by the end of the fourth year of

operation "is still our target," said Elaney Hasselman, Salisbury's public information officer.

Interfund loans also were an issue in Wilson, which operates its Greenlight municipal broadband system. The system, launched citywide in 2009, was funded with \$28 million in debt.

In his 2010-11 budget summary, City Manager Grant Goings reported a "fund balance appropriation of approximately \$1,125,000 is expected for the Broadband Fund by year end," adding "we anticipate support will be needed through FY '11, or until our market penetration reaches 35 percent."

Goings noted, "support is primarily in the form of interfund loans used for subscriber capital, the construction and equipment costs to add new customers."

However, in his 2011-12 budget report, Goings wrote that Greenlight "is projected for revenues to exceed expenditures, on schedule, for FY12," adding, "debt service will be paid and capital purchases related to connectivity [are] planned to be funded on a pay-as-you-go basis through its operations for future system expansions."

A 2009 JLF report on Greenlight questioned the financial feasibility of the system. CJ

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'Nugget' Lunch Episode Spurs Debate on Children's Nutrition

Continued from Page 1

parents and brought from home. Centers are supposed to monitor lunches brought from home and offer to supplement those lunches if they're found lacking.

The scrutiny over enforcement of child nutrition rules has been ramped up since mid-February when *Carolina Journal* reported on what has become known as the Hoke County "chicken nuggets" story. A girl in a Hoke County pre-kindergarten program brought a bag lunch to school that didn't meet the standards. It included a turkey-and-cheese sandwich, banana, potato chips, and apple juice. It didn't include milk, which is required to meet U.S. Department of Agriculture nutrition guidelines.

Instead of being offered the missing milk to supplement the youngster's lunch, she was offered a cafeteria tray, from which she ate three chicken nuggets. Her family members say her bag lunch was brought home untouched. The girl is a picky eater, and everything else on the cafeteria tray went to waste.

State and federal nutritional guidelines promote healthy eating habits at schools, child care centers, and other preschool programs. It's part of the government's mission to fight childhood obesity, which officials remind us can lead to serious health problems later on in life.

"We are all aware of our lifestyles in this country," said Deborah Cassidy, director of the Division of Child Development and Early Education, which oversees and regulates pre-kindergarten and child care centers in North Carolina.

USDA guidelines require lunches



The Division of Child Development and Early Education in Raleigh oversees and regulates pre-kindergarten and child care centers in North Carolina. (CJ photo by Don Carrington)

to include one serving of a meat or meat substitute, one serving of fluid milk, one serving of grain, and two servings of fruit or vegetables.

State rules for pre-kindergarten programs require sites to provide meals meeting USDA requirements during the regular school day. Partial or full costs of meals may be charged if families do not qualify for free or reduced price meals.

The rules continue: "When children bring their own food for meals and snacks to the center, if the food does not meet the specified nutritional requirements, the center must provide additional food necessary to meet those requirements."

Similar rules apply to child care centers: "When children bring their own food for meals or snacks to the center, if the food does not meet the

nutritional requirements ... the center must provide additional food necessary to meet those requirements."

While the nutritional guidelines flow down from USDA, the rules and regulations don't.

"We, at the federal level, do not check meals coming from home," said Aaron Wiley, a spokesman for the USDA's Food and Nutrition Service. "This is not part of the [2010] Healthy, Hunger-Free Kids Act."

Nor do USDA regulations cover meals served at pre-kindergarten and child care centers.

According to the USDA, the nutritional rules are adopted to set minimum standards for meals served in its programs. They apply only to meals served to school-aged children in the National School Lunch and School Breakfast programs.

While there are federal incentives to monitor compliance of nutritional standards in schools, such incentives are not available to pre-kindergarten programs and child care centers, the USDA says.

There is, however, a Child and Adult Care Food Program, which is operated independently of the school lunch program. Revised nutrition standards for meals served to infants, toddlers, and children in pre-kindergarten programs and in child care centers are currently under development by the CACFP, the USDA says.

States have the flexibility to institute additional requirements, with USDA approval. The USDA offers Delaware and Florida as examples. Their new nutrition standards for meals served at licensed child care centers are more restrictive than the USDA regulations.

The USDA says it does not suggest the type of practice that would require teachers at schools, pre-kindergarten, or child care centers to inspect lunch boxes brought from home. "But that does not mean that we are not concerned about what children are eating," the USDA says.

"It is at our discretion to pass rules that we think are appropriate to meet the USDA food guidelines," said Cassidy, the division director. "It's the health and safety and well-being that's at stake here for some pretty young children."

She notes that the rules applied to the Hoke County incident have been in place for decades.

Cassidy said that consultants, working directly for the division, make visits to the approximately 7,900

Continued as "Nugget," Page 14

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'Nugget' Lunch Episode Spurs Child Nutrition Debate

Continued from Page 13

licensed pre-kindergarten facilities, child care centers, and family child care homes to monitor their operations. The consultants like to visit the centers at least once a year, Cassidy said. They are based throughout the state and carry caseloads of about 80 to 85 centers apiece, she said.

The 107 consultants across the state look at a number of things when making their annual visits, said Tammy Barnes, the division's regulatory section chief.

As far as nutritional standards are concerned, the consultant will look to see if menus are posted. "We try to be there at a time when a meal is being served," Barnes said. She said meal monitoring by teachers could be done in various ways, depending on the facility.

In some facilities, a teacher sitting at a table with children may observe what they're eating, Barnes said. In facilities where meals are prepared on-site, cooks may take a look around and see what is needed, she said.

The division also contracts with UNC-Greensboro to provide assessors, who go to centers and grade them, giving them star ratings signifying the educational quality of their center, Cassidy said.

Assessors generally make visits once every three years, where they check on the center's educational quality.

Officials overseeing the program at UNC-G could not be reached for comment.

Licensed providers in North Carolina are covered by the rules. While rules apply to pre-kindergarten programs, child care centers, and family child care homes, they do not apply to homes where people care for fewer than three children, Cassidy said. Nor do they apply to gymnasiums or YMCAs, where parents may drop their kids off briefly while they work out and use exercise equipment.

The Hoke County incident occurred on Jan. 30, four days after a Jan. 26 visit by a division consultant. An assessor had been at the facility the previous fall.

"There was an assessment visit," said Claire Tate, who chairs the Child Care Commission. "This program scored very well. There was a low score on a nutrition-related item."

"The consultant came out on Jan. 26 to meet with the teachers and principal to discuss their scores," Cassidy said. "One of the items that was in question, where they can do better, was

GOP Removed Pre-K Supervision From DPI

The statewide Pre-Kindergarten program that came under the national microscope in Hoke County had been under the oversight of the N.C. Department of Public Instruction. But that all changed last year when the Republican majority in the General Assembly transferred what had been known as the More at Four program to the Department of Health and Human Services.

More at Four, a pre-kindergarten program intended to give 4-year-olds identified as having potential trouble succeeding in school an early boost, was the initiative of former Gov. Mike Easley. It was established under the office of the secretary of DHHS in 2001. It was later moved to DPI, where it remained for a decade before being moved back to its original department last summer.

The move was opposed by DPI, with officials saying that the department had integrated More at Four into a program that coordinated learning from pre-kindergarten through third grade.

Republicans who sponsored the transition, however, said that it made sense to put all early childhood programs under one roof, under DHHS.

"That's the location for all of our other early childhood programs," said Rep. Justin Burr, a Stanly County Republican who chairs the House budget subcommittee that oversees health and human services. "We wanted to kind of make sure that all of those were under one roof and that they're collaborating and working together for that ultimate goal to prepare children for kindergarten and beyond."

John Pruetto, director of the office of early learning at DPI, said that More at Four was a piece of a bigger puzzle that helped children progress from pre-kindergarten through third grade.

"The focus of the department and the State Board of Education is education," Pruetto said. "That's what we brought to the table." He said that More at Four created an academic setting, "ensuring that children were getting the proper early literacy and math skills to ensure their success."

Pruetto said that DPI already oversees federal Title I money that is spent on kindergartners and other programs. That money is intended to help children considered at risk of not succeeding in school.

Burr said the thinking behind the change, which was enacted in the budget that passed last year over Democratic Gov. Bev Perdue's veto, was to make the program more efficient by putting it under DHHS, where money for another early childhood program, Smart Start, flows and where child care subsidies are funneled.

Smart Start administers the pre-kindergarten program in a number of North Carolina counties, Burr said. However, merging the two programs would be difficult because of Smart Start's status as a private, nonprofit agency, he said.

"Although it receives funds from the state, it's not a state body," Burr said of Smart Start. **CJ**

— Barry Smith

the home lunches doing better meeting the guidelines from the USDA."

State officials say that the teacher misapplied the rule in providing an entire cafeteria lunch for the 4-year-old. The teacher and school system have since parted ways.

"It wasn't necessary to give the child an entire lunch," Cassidy said. Milk would have sufficed.

"One teacher just went over the line, took extreme measures which were not appropriate," Tate said, adding if she'd been the teacher, "I probably would have said, 'Here's a carton of milk.'"

The rules could get more detailed. The Child Care Commission is set to take up a revision in nutrition rules at its May 8 meeting. Those rules include:

- Requiring children ages 2 and older to be served either skim milk or low-fat milk.
- Allowing food brought from home to reflect cultural and ethnic preferences, including providing a vegetarian diet.
- Prohibiting children from being served flavored milk or sugary drinks. Those include Kool-Aid, fruit drinks, sports drinks, sweet tea, and soda. The rules provide that no more

than 6 ounces of 100 percent fruit juice be served in one day.

- Requiring a center's staff to be nutritional role models. Staff members would be asked to refrain from consuming foods or beverages with little or no nutritional value when in the presence of children.

- Keeping infants from being served a bottle without a prescription or written statement on file from a

health care or nutritional professional.

Do the rules need revising to try to avoid another "chicken nugget" incident from occurring?

"I can't answer that," Tate said. "We certainly will look at it with this in mind."

"I think it's something we need to look at," Burr said. "If we're going to have instances like this occur, then, yes, we need to change the rules." **CJ**

**107 consultants
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try to visit
facilities when
meals are served**

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Perdue Flight Provider Seeks GOP Senate Nomination

Continued from Page 1

ed or improperly reported flights during Perdue's campaign for governor.

Air travel for Perdue

Perdue was elected governor in November 2008. Investigations and news reports later would reveal that she made extensive use of private aircraft for campaign and official business without paying the owners. Perdue has attributed the initial nonpayments to sloppy work by her campaign staff. A Perdue spokeswoman characterized the free flying for official business as "gifts to the state."

Through an investigation by the Board of Elections, the public eventually learned that Perdue's campaign had accepted dozens of free flights. After a hearing in August 2010, the board fined the Perdue committee \$30,000.

A spreadsheet listing Perdue's air travel from 2001 through 2008 became public information during the election board's August 2010 hearing. That document listed a total of 243 flights, but the details of many of the flights were missing.

The records appear complete for a Sept. 26, 2008, flight in a Beechcraft King Air provided by Crystal Aviation. May 11, 2009, the Perdue campaign committee sent Jarrett Bay Boatworks Inc. a check for \$629.34, listing it as a debt payment for air travel related to that flight.

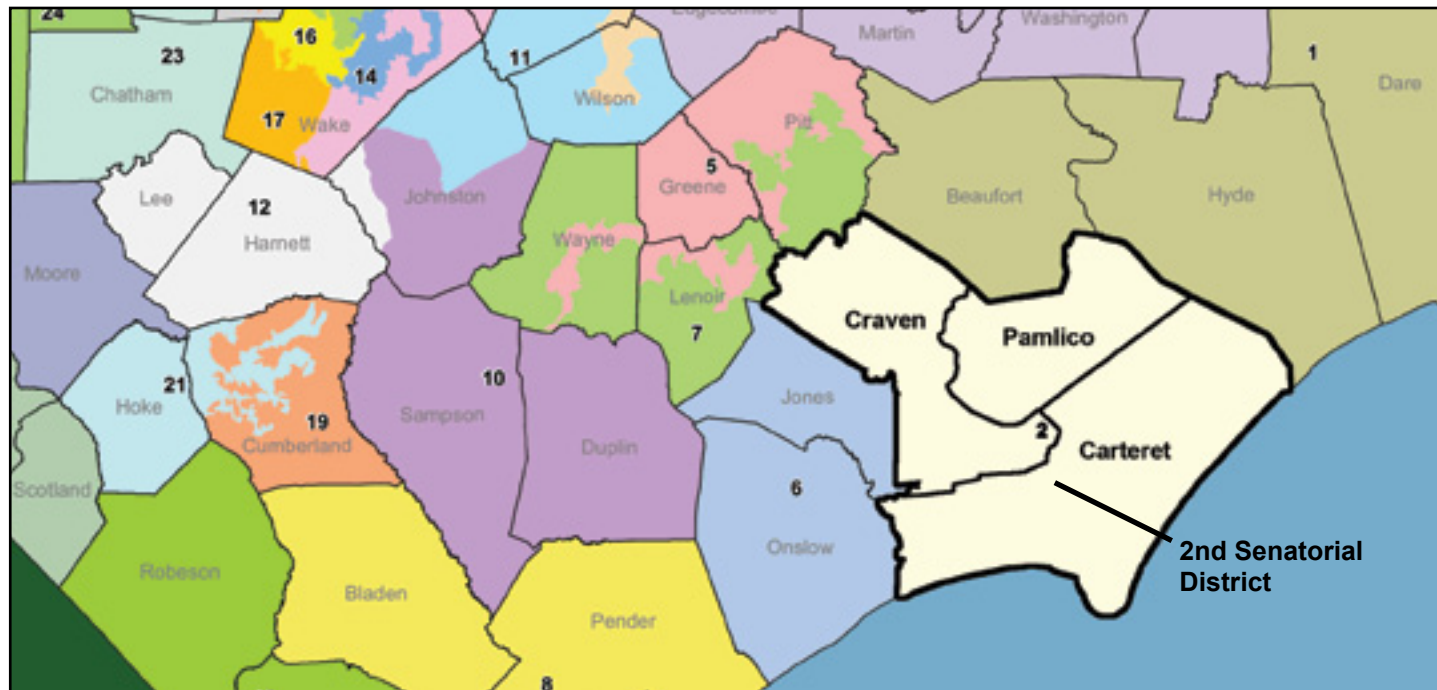
Crystal Aviation is involved in airplane leasing, according to corporation records from the N.C. Secretary of State's office. Randy Ramsey of Jarrett Bay Boatworks was listed as a managing member in 2004 and as a member in other years.

A *Carolina Journal* review of Perdue's campaign reports could not match reimbursements for three other flights involving Crystal Aviation:

- A Feb. 21, 2008, flight listed as New Bern/Charlotte/Chapel Hill/New Bern was attributed to Crystal Aviation Partnership and Trawick "Buzzy" Stubbs. No cost or payment information was listed. *CJ* could find no record of payment to Stubbs, Crystal Aviation, Jarrett Bay, or Ramsey.

Stubbs, a longtime friend of Perdue and the law partner of Perdue's late first husband, recently pleaded not guilty to two felony charges related to the governor's campaign funding. Stubbs was identified in the Board of Elections' report on Perdue's campaign flights as an architect of an "aircraft provider" program, along with Peter Reichard, the campaign's former finance director. Reichard took a felony Alford plea in February in the state probe of the governor's campaign.

- A May 4, 2008, flight listed as Beaufort/New Bern/Chapel Hill/Beaufort/New Bern also was attributed to Crystal Aviation and Buddy Stallings. The cost column read "cost



Randy Ramsey, a registered Republican who has supported Democrats such as governors Easley and Perdue in the past, is running in a three-way race for the 2nd District senatorial nomination in the May 8 primary.

sheet not completed." *CJ* could find no record of payment to Stubbs, Crystal Aviation, Jarrett Bay, or Ramsey.

- A March 8, 2007, flight listed as New Bern/Chapel Hill/Charlotte/Chapel Hill/New Bern was attributed to Crystal Aviation and Buzzy Stubbs. Notes indicate the trip was part official business and part campaign. The total cost was listed as \$1,260.60. *CJ* could find no record of payment to Stubbs, Crystal Aviation, Jarrett Bay, or Ramsey.

Ramsey told *CJ* the Perdue committee reimbursed him for two flights, but he didn't remember the details. When asked who asked him to make his aircraft available to Perdue, he said, "I don't remember — don't know who asked."

NCSU board appointment

In June 2009, Perdue appointed Ramsey to the N.C. State University Board of Trustees. Ramsey filled the vacancy left by board chairman D. McQueen Campbell, who resigned at the request of UNC System President Erskine Bowles.

At the time, Campbell was the subject of news stories and investigations involving free campaign-related flights he had provided to Gov. Mike Easley, for his role in helping Mary Easley obtain a job at N.C. State, and for helping the Easleys purchase a lot in the Cannonsgate development in Carteret County.

In November 2010, Mike Easley entered an Alford plea to a felony charge of failure to report campaign expenditures. Under an Alford plea, a defendant does not admit guilt but acknowledges that the evidence against him may lead to conviction from a jury. Easley, the first North Carolina governor with a felony conviction, paid a \$1,000 fine.

Party loyalty

The 2nd Senate District is made up of Carteret, Craven, and Pamlico counties.

The other two candidates are current GOP state Rep. Norm Sanderson of Arapahoe and Pine Knoll Shores Mayor Ken Jones. Incumbent Republican Jean Preston decided not to seek another term.

Some local conservative and Republican activists can't stomach Ramsey as a Republican candidate.

"Randy Ramsey has been a major player in liberal Democratic 'pay-to-play' politics and is not representative of the conservative values of the Tea Party, or what we expect of the Republican Party," wrote Ken Lang of Stella on the Crystal Coast Tea Party's website.

A letter from Fred Decker of Newport, published in the *Carteret News-Times*, was also critical of Ramsey, and claimed the Republican state Senate leadership recruited him. "We don't need people from Raleigh, Jacksonville, and Wilmington telling us whom we should select to represent us," he wrote.

When asked if he had been recruited to run for the Senate, Ramsey told *CJ* that "recruited was too strong of a word," and that he discussed his interest in running with Preston, state Senate leader Phil Berger of Rockingham County, and state Sen. Harry Brown of neighboring Onslow County.

Brown, the Senate majority leader, told *CJ* that Ramsey approached him about running for the seat and that the Senate leadership had no problem with it. "We were looking for candidates, and Norm Sanderson had not come to us at the time. We try to stay out of the primary," he said.

When *CJ* asked Brown if he knew that Ramsey had been an aircraft provider to the 2008 Perdue campaign he

said, "I had no clue on the flying."

Most recent contribution

Last year, Perdue issued frequent criticisms of the budget passed by the Republican-led General Assembly. Perdue wanted to continue a 1-cent temporary sales tax that was scheduled to expire. She vetoed the budget bill, but the General Assembly voted to override her veto.

"Tonight, the Republican-controlled legislature turned its back on North Carolina's longstanding commitment to our people to provide quality schools, community colleges, and universities — all to save a penny. I vetoed the Republican General Assembly's budget because I believe it will cause generational damage to this state," she said on June 15 after the override vote. "This budget is short-sighted and irresponsible. It cuts a full half-billion dollars more out of education than I proposed in my budget. It not only damages our education system but also hurts public safety, our environment, and our ability to care for those who need us most."

The following month, on July 25, Ramsey made another \$2,000 contribution to the Perdue campaign.

Ramsey's donations to Perdue total \$16,500. He also gave a total of \$7,500 to Easley and \$2,000 to former Democratic Senate leader Marc Basnight. Ramsey also gave \$5,000 to the N.C. Democratic Party in October 2008 and another \$2,500 in April 2010. He has made additional donations to Democrats.

In April 2008, just before the May primary election, Ramsey's mother and three Jarrett Bay employees gave a total of \$9,500 to the Perdue campaign.

Ramsey's contributions to Republicans prior to this year total \$3,750, including \$1,000 to Brown and \$1,250 to Labor Commissioner Cherie Berry. *CJ*

Lawson: U.S. on Downward Slide in Economic Freedom Rank

BY CJ STAFF

RALEIGH

The United States has been slipping in recent international rankings of economic freedom, including the Fraser Institute's widely publicized *Economic Freedom of the World* annual report. Robert Lawson, Jerome M. Fullinwider chair in economic freedom at Southern Methodist University, co-authors the Fraser Institute report. During a recent visit to North Carolina, he discussed key findings with Mitch Kokai for Carolina Journal Radio. (Head to <http://www.carolinajournal.com/cjradio/> to find a station near you or to learn about the weekly CJ Radio podcast.)

Kokai: First of all, when we say "economic freedom," what are we talking about?

Lawson: Economic freedom goes by a lot of other names. You can call it capitalism. You could call it free markets, or just market-oriented economies. But what it really means, when you boil it down, it's about private property, free trade, freedom of exchange — that kind of stuff. So it's about living in a market economy where people are free to buy and sell things without interference.

Kokai: Why is economic freedom so important?

Lawson: I think there are two answers to that. One answer is that I think as human beings we like freedom. We like to be free. Nobody likes to be messed with. No one likes to be interfered with. So on one level, economic freedom is, I think, a core value. As human beings, we like to be able to make our own decisions. But the second answer is that it looks like, [from] the evidence that we have from the project that I work on, it looks like places that are more economically free do a lot better in many, many dimensions than places that are less free.

Kokai: You mentioned a project. What is it?

Lawson: I produce something called the Economic Freedom of the World Index. It's an economic freedom index, and we measure economic freedom for 141 countries. So we collect data on property rights, tax policy, regulatory policy, free-trade policies — things like that. And it's kind of complicated, but we put it all into a sort of a number line — a zero-to-10 number line, and so we have a scale that measures how free-market a place is.

Kokai: And after that work, you come up with a list of countries that are free, somewhat free, not so free?

Lawson: Sure. Well, it's a zero-

"Private property is, I think, the bedrock of any market economy. If you don't have private property, nothing else that you think of when you think of capitalism really works. What are you buying and selling? You're buying and selling property. You need to know who owns it, who gets a return from value creation from that property, and that concept of private property is the cornerstone."

Robert Lawson
Southern Methodist University



to-10 scale, and at the top of the scale is Hong Kong. By far, Hong Kong is the freest economic country on earth. They have very good private property, no tariffs at all, very few regulations. They just passed their first minimum wage, which is like \$2 an hour. It's nothing, really. So Hong Kong is No. 1, but then from there, you go down to Singapore. The United States is ranked 10th, and you go all the way down through the scale. You see China, India down in the 90s, and at the very bottom of our index we have countries like Zimbabwe and Venezuela. We don't rate North Korea or Cuba, so we know they'd be even lower.

Kokai: You touched on this, but let's mention it again. What is it about Hong Kong that makes it so economically free?

Lawson: Well, if you think, first of all, one of the cornerstones of economic freedom is free trade, and they have no tariffs, no quotas whatsoever. They have zero. It's complete free trade. Every other country in the world, except for maybe Singapore, has some tariffs, some quotas, some restrictions on trade. They have extremely good English common law and property rights systems. If you and I have a dispute — a contract dispute — you and I would be very comfortable, I think, going to a Hong Kong judge and getting that dispute adjudicated. I'd probably feel better in a Hong Kong court than in a Texas court, to be honest. And so in area after area, they do very well. Their regulations are minimal. The top tax rate is 15 percent. So if you want to open a business, hire and fire workers, produce a product, sell that product, and keep most of what you earn, Hong Kong is No. 1, by far.

Kokai: The U.S. ranks 10th. How does that ranking compare to past

years?

Lawson: The real big news in the index the last year or so has been the decline in the ratings for the United States. It actually began in the year 2000. In 2000, the U.S. was third. It was Hong Kong, Singapore, United States. And we would have been easily the largest — the most economically free large economy. Today, we're 10th. It was sixth last year, 10th in the most recent report. It's almost certainly going to be going down as reports come out in the next few years.

Kokai: Why has the U.S. fallen so far in the ranking?

Lawson: Some of it is the increase in government spending, and it started again in 2000, so it started under the George W. Bush administration, and it has, of course, continued under the Obama administration. But spending is really only a small part. The biggest decline is in our area of property rights. Now, we have seven different indicators from three different sources, and all of them are in very serious decline for the United States. To give you an idea of the scale, some of the numbers we had in 2000 were nines out of 10, and now they're fours out of 10 — not just small declines. On a 10-point scale, going from a nine to a four is a huge drop.

Kokai: Why are property rights such an important component in economic freedom?

Lawson: Private property is, I think, the bedrock of any market economy. If you don't have private property, you just — nothing else that you think of when you think of capitalism really works. What are you buying and selling? You're buying and selling property. You need to know who owns it,

who gets a return from value creation from that property, and that concept of private property is the cornerstone. If you don't have that, it's awfully hard to have markets. There were attempts, like in the old Yugoslavia, there were attempts to have government property — but markets — and it just doesn't work very well.

Kokai: Should the U.S. decline from third to 10th raise some red flags, signal that we need to shift gears?

Lawson: I think it should raise some flags. I don't know if I hope one way or the other. As a scholar who just basically studies economic freedom, I really don't think too much about impacting the world. I think it's worth doing this just to measure it. But I do think that it is a problem, and if economic freedom continues to decline at the pace it's declining in the United States, I think our standard of living — our growth rates — are really in jeopardy because we have a lot of evidence from the project that economic freedom generates really good results.

Kokai: How important is economic freedom to our economic growth?

Lawson: In the long run, I think it has tremendous importance. There's no question that in very long time frames, like 20-, 30-, 40-year time frames, countries with more economic freedom grow much more rapidly. In the short term, it's hard to say. I think every country in the world has ups and downs. ... But I'm more worried about the long term. We are responding to this short-term crisis with a lot of policies that we're going to have to live with forever, and so I think that we're jeopardizing the long-run growth of this country in order to try to fight this recession that we're in right now. CJ

Funding System Leaves CCs With Extra \$10.8M

By DUKE CHESTON
Contributor

RALEIGH

Funding North Carolina's community colleges is a tricky business. The state allocates money to the colleges based on enrollment, and predicting enrollment can be a bit like trying to predict the weather. It's difficult to do, and if you get it wrong, someone — in this case, either taxpayers or community colleges — is going to get all wet.

In the biennial state budget passed last summer, the state set an amount to spend on the community college system for the 2012-13 year that now looks like it will be "too much" — about \$10.8 million too much, to be precise. That is, the state appropriated enough funds to cover two academic years, but enrollment fell below projections, leaving the system with money that it didn't know what to do with immediately.

The state allocates funds to community colleges based on the previous year's level of enrollment. (It is funded "in arrears.") Since the General Assembly passes a budget once every two years, system officials estimate what enrollment will be for the first budget year in order to predict the appropriate funding level for the second budget year. If the estimate is off, the General Assembly can readjust the system's funding level during the short session between budgets. Or it can let the community colleges keep the money, which is what officials will ask legislators to do.

This year, enrollment was projected to rise 1.5 percent, but it actually fell by about 1 percent. Thus, unless state legislators make community colleges return this surplus, the colleges will have an extra \$10.8 million to spend in the 2012-13 fiscal year.

At a state community college board meeting Feb. 17, board members settled on four items on which to spend additional funds.

The first item is more money for math classes. Last year the state changed the funding model to reimburse classes on a three-tiered basis. The highest tier would get the most state reimbursement. While the initial rationale for the top tier was that these courses should get the most money because they are the most expensive to teach, the rationale seems to have changed. Producing graduates who

are proficient in math is seen as an economic development tool. Math classes are seen as key to economic growth, and the new funds presumably will lead to better math instruction.

If this proposed item is approved by the General Assembly, math classes will be placed in the highest-reimbursed tier, which currently includes lab-based science and technical education. The system estimates that this higher reimbursement rate (15 percent higher than current levels) will cost \$4.2 million.

The second item is forgoing a scheduled increase in tuition for continuing education. Community colleges are composed of curriculum courses,

which lead to associate degrees or certificates, and courses called continuing education or non-curriculum classes. Much

of continuing education is targeted to teaching specific work or job skills. Canceling the tuition increase will cost the colleges an estimated \$664,509, but the additional funds are covering that loss.

The third item is increasing funding for multicampuses, community college sites that are separated geographically from the main campus. Twenty of North Carolina's 58 community colleges have at least one of these satellites. (One has five). These sites serve between 500 and 3,000 students, and arguably save money because they're cheaper than building new colleges with separate administrations. The requested additional funding for multicampuses amounts to \$2.9 million.

The final addition will reduce what is called a scheduled "management flexibility cut." That term refers to a cut in state funding for the community college system that is not accompanied by specific instructions about where the cuts have to be made. The system's administrators decide where to make the savings. This scheduled cut comes from a pool of money dedicated to customized training that the colleges had accumulated and spent this year and will need to make up next year.

The General Assembly will consider the proposals this summer. CJ

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



COMMENTARY

Obstacles To Reform In College Sports

Big-time college athletics — the revenue-earning sports of football and basketball at the major universities — have been more memorable lately for illicit activities than for anything happening on the gridiron or hardwood. Headlines have blazed with lurid tales of free hookers for players at the University of Miami, a revered coach ignoring child molestation allegations at Pennsylvania State University, illegal contacts with agents and unearned grades at UNC-Chapel Hill, and so on.

Due to these major scandals, many people are clamoring for reform. But until the reformers can unite behind bold ideas that actually will bring about a cleansing transformation, they will not move the entrenched interests that like things the way they are. Those interests are extremely powerful; not only are big-time college sports a multibillion-dollar industry that fills lots of coffers, they also instill intense emotional loyalties among alumni and sports fans in general.

An event at UNC-Chapel Hill's Stone Center auditorium on Feb. 28 titled "Big-Time College Sports: What Needs to Change?" illustrated the fractured and impotent state of the reform movement. The trio of panelists — former UNC system president Bill Friday, writer Taylor Branch, and Duke University economics professor Charles Clotfelter — came to the event with widely divergent perspectives and solutions, with little chance of resolution among them.

Friday's perspective on collegiate sports can be called traditional amateur idealism. In this outlook, athletics should exist to enhance the academic experience, not exist as a glitzy, big-dollar entertainment industry. For five decades, Friday has sought to keep big-time sports' corrupting influence from sully the academy. He has done so operating inside the establishment, largely seeking to fine-tune the system rather than remake it.

Branch instead seeks fundamental change. He suggests that the central problem is college athletes' amateur status. As amateurs, they legally are denied the

basic right to gain from their labor, talent, and fame, even though it is their talent and fame that provide huge financial gains for everybody else involved in big-time college sports. He recommends that players be paid for their contributions to the university, just like other student workers.

Clotfelter is more of an observer than a reformer. "It's not that I don't want reform," he said. "It's just going to be a lot harder than anybody thinks."

Trustees are the key to reform, according to Clotfelter. The problem is that they are college athletics' biggest boosters. He said that college presidents will not upset the status quo, since they are hired by the trustees and cannot get the job without promising to support the athletic program. At another point, Clotfelter added that, "it is unlikely anything will get done unless there is external pressure, such as a court case."

He may be right. Most efforts at reform undertaken by universities and the NCAA over the decades have gone for naught. Friday cited an alarming statistic — out of the 122 Division I schools that form the core of "big-time college sports," 58 have received sanctions from the governing body, the National Collegiate Athletic Association, in the last decade.

Yet, Branch's simplistic pursuit of ending the players' amateur status also misses the mark. Paying them might reduce the number of picayune infractions that land players and programs in trouble, such as players selling jerseys for spending money, but it will exacerbate many other problems. Football, especially, is a violent sport favoring rough, aggressive young men; many also have become accustomed from an early age to special treatment and favors due to their physical prowess.

While suggestions for reform abound, it is likely that an end to big-time college sports' ethical problems will not occur until outside events stop the circus. CJ



JAY
SCHALIN

Jay Schalin is director of state policy for the John W. Pope Center for Higher Education Policy (popecenter.org).

Campus Briefs

A campus event that's taking place at several North Carolina universities suggests oppression is an underappreciated concern on college campuses. According to the organizers, the "Tunnel of Oppression" is an interactive event that highlights "contemporary issues of oppression." It is designed to introduce participants to the "concepts of oppression, privilege, and power."

Tunnels of Oppression have been popping up on college campuses across the country since 1994, when the first one was created in the residence halls of Western Illinois University. They have come to North Carolina only in the last few years.

At N.C. State University, the latest edition of the tunnel featured five themes. In the first exhibit, two female students discussed abusive relationships. The second exhibit highlighted eating disorders and the problems associated with popular culture's emphasis on body image; the walls of the room were covered with pictures of models from magazines.

The third exhibit involved a conference between two actors, one a professor and the other a student. The student attributed his poor grades to obsessive-compulsive disorder, but the professor didn't buy it, demonstrating the oppression that learning-disabled students suffer.

The fourth exhibit consisted of discrimination against LGBT students. (According to literature distributed by tunnel organizers, anyone who disapproves of gay marriage or favors restricting partner benefits is an oppressor.) The fifth exhibit focused on racism using both historic and modern examples — including an "Affirmative Action Bake Sale" hosted by College Republicans to protest racial preferences on campus.

At the UNC-Chapel Hill tunnel, participants "directly experience the following scenes of oppression: ability, class, body image, immigration, homophobia, genocide, religious oppression, relationship violence, and race."

At N.C. State, participation was low. But maybe students aren't buying that holding mainstream opinions — such as opposing affirmative action and gay marriage — is a form of oppression. The oppression of a fashion magazine giving the impression that all women ought to wear a size 6 is a far cry from the poll taxes and forced segregation of the past. CJ

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

'Science City' Plan Pits Hopkins Against Donors

By MARTIN MORSE WOOSTER
Contributor

RALEIGH
Universities often find themselves at odds with donors when the campuses' plans conflict with the donors' intent. One high-profile dispute over a real-estate donation concerns the Belward Farm in Maryland. Elizabeth Banks and her relatives sold the property in 1989 to Johns Hopkins University for \$5 million, a price considerably below market value.

While based in Baltimore, for years the university has had a satellite campus in Montgomery County, which is next to Washington, D.C. Hopkins seeks to expand its satellite campus on the Belward Farm site. Now, it is joining with Montgomery County businesses to create a \$10 billion biotech "Science City" on the site.

The problem is that while the deed says that Hopkins has to maintain the 108 acres "in a well-kept and attractive fashion," it offers no guidance on how the property should be developed. Hopkins' position is that it may do what it chooses, as long as it builds a campus devoted to science and medicine.

Its opponents, led by Banks' nephew, argue that her wishes were that the property be less developed. They support plans created by Johns Hopkins and Montgomery County in 1997, which would make Belward more like a college campus than the dense, inner-city development that is currently proposed.

Banks was interviewed at least twice about why she decided to sell her farm to Johns Hopkins. In a 1989 interview with the *Montgomery County Journal*, she said, "I never wanted a developer to put a foot on this property. They destroy all the trees, the birds, everything. Sometimes when I'm out shopping, total strangers ask me if I'm the one with the beautiful farm, and I tell them, 'I'm trying to keep it that way.'"

In a 2001 interview with *The Washington Post*, Banks, who never married, added that she had fond memories of Hopkins from the 1930s when she dated Hopkins students by going to lacrosse games on campus.

But that same article also showed that the university was eager to ignore Banks' intentions even in her lifetime. Banks had allowed a 30-acre portion of the farm to be sold to biomedical research companies, as long as a buffer of century-old trees protected the farm and the remaining 100 acres. One day, the trees were knocked down by bulldozers, even though this action was prohibited by the deed.

Banks sued Hopkins over that violation and won. Hopkins claimed the deed did not say specifically which trees were to be preserved, but apologized. Banks remained angry even



An artist's rendering of Johns Hopkins' "Science City" project. (Johns Hopkins Real Estate graphic)

though the university had some saplings planted. "They came, they lied to me," Banks said.

John Dearden, who brokered the 1989 deal for Hopkins, told *The Washington Post*, "Elizabeth could have insisted the entire tract be held under the deed of gift and not developed until she was gone. But it was her generosity that allowed them to start building there. They did it in a fashion that tore right at the intent. It was terrible. It was bad judgment and inappropriate."

In 2005, Elizabeth Banks died, and the terms of the Belward Farm property deal came into force. Hopkins officials soon revealed their plans for developing Belward Farm, telling *Washington Post* reporter Dana Hedgpeth, "the buildings are likely to be three or four stories high and look like a campus."

Between 2005 and 2008, however, Hopkins' vision of the property changed to the much denser "Science City."

Both Johns Hopkins officials and Montgomery County planners ignored complaints about the plans from Banks' relatives, so they filed suit.

The university's lawyers argued that the case should be dismissed. They contended that the Science City plans are proposals and can't be contested until they're implemented. But Hopkins officials have stood behind these proposals since at least 2008, and there's no evidence that Hopkins is about to change them.

Hopkins' second point is that nothing in the deed specifically prohibits it from implementing the Science City proposal. The plaintiffs, however, have a statement from John Dearden, the former Hopkins officer who negotiated the 1989 deal, that not only he, but also the president of Hopkins at the time, understood that Banks' intention was to create "a version of [Hopkins'] Homewood campus" at Belward.

Thus, the university had every reason to think that Banks wouldn't have sold the property if she had known it would be turned into "Science City."

The judge recently rejected the university's motion to dismiss the case, so there will be a trial to determine if "Science City" violates the donor's wishes. CJ



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Opinion

In New Financial Environment, Here Are Some Schools to Watch

The future financial condition of public universities is more unpredictable than ever. State appropriations are falling, and enrollment may fall, too. I see three approaches that public universities can take to address this uncertain future.

One is to make up for falling state appropriations by increasing tuition. This strategy will work only for a few flagship schools, such as UNC-Chapel Hill.

Another is to stop growing. For most state universities, this is the straightforward approach since each additional student costs the taxpayers money. The University of North Carolina system appears to be moving in this direction. After years of fast growth, it has been raising admissions standards, with the result that overall enrollment has leveled off instead of continuing to rise.

But a third model has emerged, too: Don't cut back; grow faster instead. Put more students through the university more efficiently and quickly.

A few universities have experimented with this approach. They include Brigham Young University-Idaho, Southern New Hampshire University, the University of Maryland University College, Arizona State University, and Western Governors University.

To some extent, these universi-

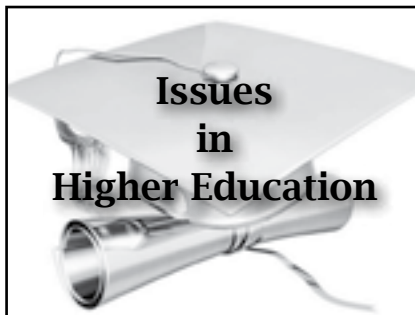
ties are emulating for-profit universities, which have been expanding the market for education through online technologies. These schools, too, embrace technology that lowers costs.

But if they go too far in the direction of bringing in students for revenue — and just for revenue — they will compromise their achievements. The value of their diplomas may fall. There is evidence that at least one of these schools has “dumbed down” its curriculum.

The school that has done the most to revamp traditional education is probably BYU-Idaho, a private school owned by the Church of Jesus Christ of Latter-Day Saints. BYU-Idaho started out as Ricks College, a Mormon school in Rexburg, Idaho. Surveys had shown that students in Mormon colleges remained truer to the faith than those attending secular schools, so the church leadership decided to expand enrollment at Ricks.

Thus, starting around 1997, the school's name was changed. Summer became as important as the other semesters (students can start their education in any semester). Intercollegiate athletics and graduate programs were dropped. Attention to research was minimized, and online classes were expanded. The school also “modularized” courses into clusters to help students progress more efficiently to a degree.

Between 2000 and 2010, BYU-Idaho's enrollment grew from 10,160



to 18,355, an 80 percent increase. The operating cost per student went from \$5,771 to \$6,155 — an increase of less than 7 percent. The school's six-year graduation rate is currently 61

percent.

Another rapid-growth school is the University of Maryland University College. Part of Maryland's state university system, it was created in 1947 as a school of continuing education for adults. It has a close relationship with the military and a presence in Asia and Europe. According to *Inside Higher Ed*, it grew from 71,560 students in 2000 to 96,342 in 2011.

The college has no tenure and therefore is not exactly “traditional.” But recent events have called its success into question. In February, the president, Susan Aldridge, was placed on administrative leave without explanation.

A survey of faculty in UMUC's Asian operations indicated deep dissatisfaction and the implication that “profits” are taking precedence over academic quality. UMUC's decision to make many 15-week courses into 8-week courses puts unusual pressure on students, many of whom are military staff who work 8- to 14-hour days. And some faculty members feel under pressure to pass students regardless of whether they have learned the material.

Southern New Hampshire University, a private, nonprofit school, is

also in a growth mode, using online education as its chief tool. Distance education serves 7,000 students, compared with 2,350 students on campus. Online education is conducted in an autonomous unit, and “profits” are plowed back into the brick-and-mortar campus.

What are the lessons from these pioneers?

First, such colleges are rare. Even in good times, only a handful of college presidents are willing to shake things up.

Second, these schools aren't yet successes. Changing the culture of a university is hard. BYU-Idaho's transition was aided by its respect for the church's hierarchy. UMUC is running into faculty opposition. Arizona State has had to raise tuition dramatically and has come under fire for proliferating numbers of administrators.

Third, there is the danger that pushing more students through will reduce the value of the degree — something that appears to be happening throughout higher education. These schools may be going even farther than others in recruiting students who aren't capable.

On the other hand, these schools are breaking the mold. They are learning how to lower their costs, and lower prices can spur demand. If economic times get harder, these schools have the knowledge and experience that will help them cope. They are worth watching. CJ

Jane S. Shaw is president of the John W. Pope Center for Higher Education Policy.



JANE SHAW

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• There was a time when humanity looked in the mirror and saw something precious, worth protecting and fighting for — indeed, worth liberating.

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Book review

‘Occupy’ Protesters Could Learn Much From This Book

• Tom G. Palmer, ed., *The Morality of Capitalism: What Your Professors Won’t Tell You*, Ottawa, Ill.: Jameson Books, 2011, 128 pages, \$8.95.

BY GEORGE LEEF
Contributor

During the numerous “Occupy” protests in 2011, many of the signs on display declared that capitalism was to blame for the nation’s ills. Obviously, the protesters had not read this book.

The Morality of Capitalism is aimed especially at young people who have gotten a negative impression of capitalism — as the subtitle accurately suggests, college students are likely to hear little that’s good or accurate about it in their courses — but even veterans of the battle for liberty will find a lot of fresh, intriguing material here.

As Tom Palmer emphasizes in his introduction, capitalism “is a system of cultural, spiritual, and ethical values,” and the essays that follow show that those values can and do operate to improve the lives of people around the globe.

The global emphasis of the book is one of its most effective features. Readers learn from writers of extraordinarily diverse backgrounds that capitalism is what their countries lack and that its absence is the reason why their people remain poor and oppressed. Someone who might be skeptical about arguments for capitalism presented by white American men might sit up and pay attention when, for example, they are made by an African woman.

June Arunga, a citizen of Kenya, argues in her essay “Global Capitalism and Justice” that free trade, far from harming the poor of Africa, has made them much better off. They enjoy higher incomes, better products, and easier lives because capitalism (to the extent that it is allowed) enables them to earn more and trade for better goods. She further observes that the coercive and corrupt governments in most African countries inhibit the expansion of capitalism.

“Our own governments,” she writes, “are hurting us; they steal from us, they stop us from trading, and they keep the poor down. Local investors are not allowed to compete because of the lack of the rule of law.” Too bad that June Arunga wasn’t around to explain to those wealthy American protesters that laissez-faire capitalism is crucial to human flourishing.

In his essay, Peruvian novelist (and Nobel Prize winner) Mario Vargas Llosa rebuts the idea, common among those who demonize capitalism, that it undermines indigenous cultures. He writes, “The allegations against global-

ization and in favor of cultural identity reveal a static conception of culture that has no historical basis. What cultures have ever remained static over time?” The fears expressed about capitalism leading to the Americanization of the planet are nothing more than “ideological paranoia.”

Vargas Llosa shows that people are both enriched in their standard of living and through the cultural exchanges capitalism makes possible.

Probably the most common complaint lodged against capitalism is that it is inconsistent with “social justice.” In his essay, David Kelley confronts that idea, arguing that both the “welfarist” and the “egalitarian” cases for overturning capitalism are ethical failures. He contends that Ayn Rand’s “trader principle” of peaceful exchange is the proper moral foundation for any society. That principle, of course, is compatible only with capitalism.

Most critics believe that capitalism is based upon greed,

but John Mackey, founder and CEO of Whole Foods Market, shows that the charge is false. The wealth that his successful company has created, starting from nothing more than an idea initially to a current market capitalization in excess of \$10 billion, means much more than profits for stockholders. It also makes possible Mackey’s donations to the Whole Planet Foundation, which makes microloans to poor people around the world, so that they can make capitalist investments of their own. The wealth created by capitalists is not confined just to themselves, but spreads in countless ways.

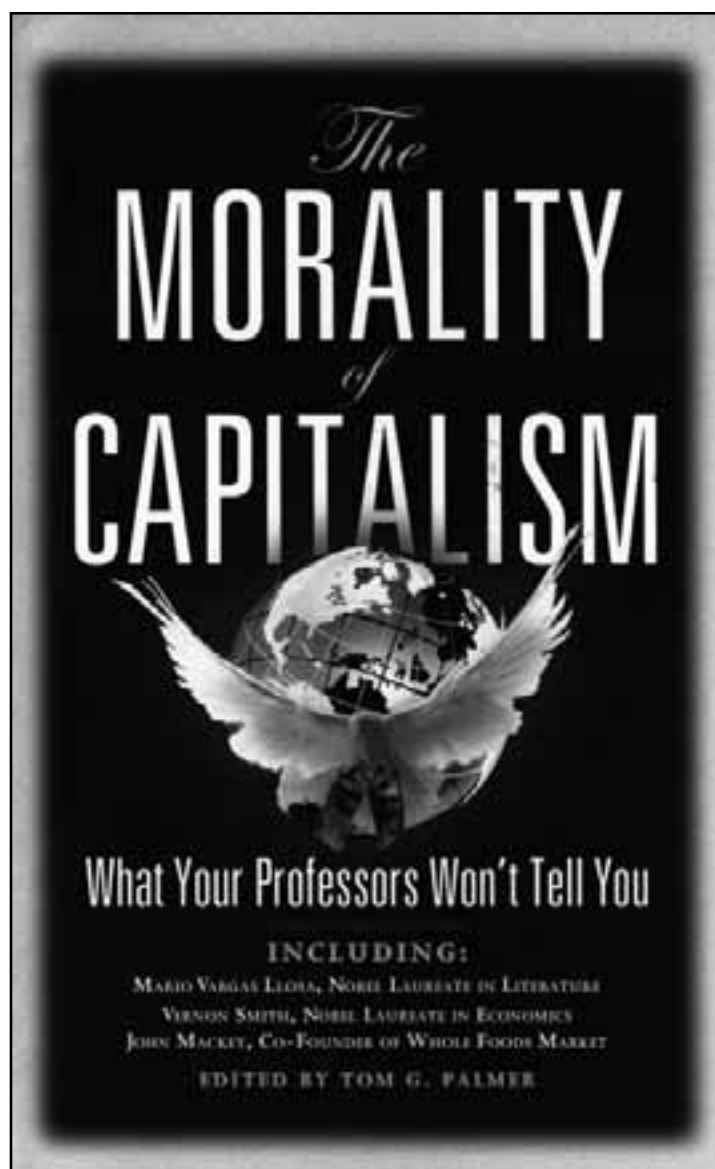
Mackey also stresses that capitalism is “a healthier outlet for energy than militarism, political conflict, and wealth destruction.” Just think of the lives lost, property destroyed, and misery caused by the anti-capitalist regimes of the 20th century, and you’ll see his point.

The big, inescapable point of the book is that the advocates of capitalism have the moral high ground. Unfortunately, they often cede it to their opponents, forcing them to

make defensive, “yes, but ...” arguments. That is a terrible mistake. After reading this book, you will be well-prepared to do battle with those who, as Ludwig von Mises put it, are imbued with “the anti-capitalist mentality” and put them on the defensive.

Palmer’s book was a project of the Atlas Economic Research Foundation. He and Atlas deserve three cheers (at least) for it and their ongoing efforts at making the case for capitalism and liberty around the world. CJ

George Leef (georgeleef@aol.com) is book review editor of The Freeman.



Gold Mining Made Rural North Carolina a Manufacturing Leader

The mining interest of the state is now only second to the farming interest." So wrote a reporter from the *Western Carolinian* of Salisbury in 1825. There was enough demand by 1830 for a Charlotte-based *Miners' and Farmers' Journal* to begin publication.

Like many remarkable events with long-lasting and beneficial results, the discovery of gold was unplanned. In 1799, John Reed's son Conrad found a 17-pound gold nugget in a creek bed. Yet for three years, the Reeds did not know the rock's worth, and it served as a doorstop. After learning its value, John Reed panned nearby Little Meadow Creek. And many more nuggets he found. Little did the German immigrant know that, deeply below his farm, quartz veins carried gold.

By the late 1820s, prospecting in creeks turned into deep-mining operations. The enterprise was now a full-time job, and mine companies re-



**TROY
KICKLER**

placed part-time miner-farmers. Most mining operations were small. Vincent de Rivafinoldi, however, started Mecklenburg Gold mining company, which employed approximately 600. Yet the diminutive operations helped provide a blueprint for later pursuits in the furniture, textile, and tobacco industries.

Because of gold mining, Charlotte evolved from little more than a village during the antebellum era (1820-60) into a regional financial center. American and foreign investors learned of gold discoveries in Mecklenburg County. Many immigrated to the Carolina Piedmont to start or work in the mines. Although gold prospecting and mining occurred as far west as present-day Cherokee County and as far east as present-day Nash and Halifax counties, most gold was found in 10 Piedmont counties: Guilford, Randolph, Davidson, Rowan, Montgomery, Stanly, Cabarrus, Mecklenburg, Gaston, and Union.

Less than 30 years after Reed's discovery, North Carolinians asked to what extent the government should participate in the mining and minting of gold. During the 1820s, there was minimal, direct government involvement. The state granted the first

charter to a gold mining company in 1827; charters ranged from \$100,000 to \$300,000. (At least \$100,000 was needed to start a deep-mining operation.) For many years, North Carolina provided the only native gold for the United States Mint.

Once the gold was shipped to Philadelphia to be minted, however, little came back to circulate in the Tar Heel State. As a result, North Carolinians wanted a government mint, and the Charlotte Mint opened in 1837. The federal government became highly involved in gold and mining enterprises in North Carolina.

While Congress delayed in establishing the mint, private enterprise met the demand. With homemade equipment, Christopher Bechtler coined gold, including the first minted gold dollar. Historians report that Bechtler coined \$109,000 between 1831 and 1835. Always trusted, the Bechtler mint lasted until 1857, a decade and a half after its founder's death.

In the 1840s, gold mining revived, and miners, many of them immigrants, established new operations. Although the California Gold Rush lured many potential entrepreneurs westward, the vast majority of North

Carolinians remained to participate in the state's mining renewal.

Eventually, technology that was used in the California Gold Rush, such as hydraulic mining, was used in North Carolina. During the 1850s, mining activity waned because digging deeper and deeper for less and less gold yielded little profit. During the Civil War (not because of it), gold mining activity stopped.

In *Gold Mining in North Carolina*, Richard D. Knapp and Brent D. Glass say mining led to the state's unique economic development: a "leading manufacturing state [while being] one of the most rural states in the nation." Even so, mining for gold consumed few North Carolina entrepreneurs.

The overall effects of gold mining remain debatable. Again, Knapp and Glass are quotable: "The importance of government actions in support of mining," they argue, "did not overshadow the leadership of private enterprise in exploiting North Carolina's mineral resources." *CJ*

Troy Kickler is director of the North Carolina History Project (northcarolina-history.org).

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Short Takes on Culture

'Zoo' Stirs Emotions

• "We Bought a Zoo"
Directed by Cameron Crowe
20th Century Fox DVD

Loosely based on a true story from England, "We Bought a Zoo" chronicles the adventures of Benjamin Mee (played by Matt Damon) and his family as they purchase and operate a zoo. They overcome hardships, including Benjamin's grief over the recent death of his wife, to land eventual success.

Move the family from England to California, change a few dates and characters, and roll film — you've got director Cameron Crowe's latest creation. The movie's theme is reflected by Benjamin's statement to his son: "All it takes is 20 seconds of insane courage ... and I promise you, something great will come of it."

Damon is hardly action hero Jason Bourne in this film, but he does a stellar job of playing a concerned, grieving father who is trying to get a handle on things and do his best for his children — Dylan (Colin Ford) and Rosie (Maggie Elizabeth Jones). Ford does a decent job of portraying Dylan, but Jones simply steals the show as little Rosie.

The movie is rated PG for language and thematic elements. The language is too strong for a PG movie, and the thematic elements are Dylan's artwork — a decapitated head and pictures from the underworld. Unfortunately, both the language and art make this film one to see without young children.

Prepare to laugh, cry, and see beautiful scenery and animals. While predictable at times, this is still an enjoyable film. So why should you see "We Bought a Zoo?" Well, as the Mees would say, "Why not?"

— AMANDA VUKE

• "The Muppets" (2011)
Directed by James Bobin
Walt Disney Studios DVD

Maybe my expectations were too high — after all, the film has a 96 percent "fresh" rating on Rotten Tomatoes — but I had to pinch myself to stay awake during the 103-minute duration of "The Muppets."

My slumber troubles weren't because I hate muppets, either. As a child of the 1990s, I have terrific memories of watching "A Muppet Christmas Carol" (1992), "Muppet Treasure Island" (1996), and "Muppets From Space" (1999).

Unlike those three titles, the new movie is a heavy-duty throwback to "The Muppet Show" from the mid-1970s to early 1980s. Maybe

that's why I had trouble connecting, because I never enjoyed the show.

The 2011 version of "The Muppets" follows the adventures of Walter (a man born as a muppet) and his human brother Gary. Along with Gary's girlfriend, Mary, the trio travels to Los Angeles to visit the muppets' old studio. There they discover that an oil baron plans to buy the land, bulldoze the studio, and drill, baby, drill. To snag the \$10 million needed to buy the studios, the muppets put on a show and telethon.

Although I never fully got into it, the film does have its moments. Several of the songs are very catchy, in a Disney-like way, and a few of the lines are worth a chuckle. Fans of "The Muppet Show" will doubtless love the new movie.

— DAVID N. BASS

• "Deus Ex: Human Revolution"
Eidos Montreal and Nixxes Software
Windows, Mac OS, PS3, and Xbox 360

Eidos' cyberpunk role-playing shooter puts the player in control of Adam Jensen, ex-SWAT cop and chief security officer of biotechnology upstart Sarif Industries. Wounded in a brutal attack on Sarif headquarters, Jensen awakens to find himself heavily augmented with cybernetic limbs and implants. Corporate intrigue and violent controversy over human augmentation abound as Jensen unravels the conspiracy behind the attack.

The game takes place in 2027, a time of technological miracles and human misery, when the potential of augmentation chafes against the neo-Luddite sensibilities of the poor, and expanding corporations jockey with governments for power. Jensen's globe-trotting investigation tours the "brave new world," jarringly alternating between the sterile opulence of the corporate utopia and the squalor of the old world which surrounds it.

The gameplay is a fusion of shooting, traditional role-playing mechanics, and exploration that emphasizes choice: Will you charge in guns blazing, sneak in through the ducts, hack terminals to shut down security, or just convince the guards to let you through? Every approach is uniquely rewarding.

"Human Revolution" is not faultless: Non-interactive videos interrupt gameplay too frequently, enemies are witless, and the boss fights are somehow both boring and desperately difficult. Even so, I heartily recommend the game.

— BAXTER ROLLINS CJ

Book review

Freeze Details Iceland's Collapse

• Philipp Bagus and David Howden,
Deep Freeze: Iceland's Economic Collapse,
Auburn, Ala: Ludwig von Mises Institute,
2011, 125 pages, \$12.00.

BY GEORGE LEEF
Contributor

RALEIGH

In this relatively short but highly illuminating book, economics professors Philipp Bagus and David Howden (both of whom are schooled in Austrian theory) explain the collapse of Iceland's economy in 2008. Why bother with the difficulties of that little nation (population 313,000) in the remote North Atlantic?

The reason is that the Icelandic debacle stemmed from exactly the same governmental blunders that have caused so many other boom and bust cycles around the globe. Iceland's horrible recent experience has important lessons for Americans — indeed for people everywhere.

The key insight of Ludwig von Mises was that artificial credit expansion initially will lead to a boom in certain sectors of the economy, but the boom cannot be sustained indefinitely. Once the artificial stimulus of cheap credit ends, the overexpanded sectors must contract. Workers must be released, and overextended firms must go bankrupt. Government policies set this train of economic mistakes in motion, and once it's going, they often propel it faster and faster. Bagus and Howden demonstrate that Iceland's collapse fits the Austrian theory of the business cycle perfectly.

Iceland's boom was rooted in a decision by the country's central bank (the CBI) in 2001, proclaiming that it would act as lender of last resort for all Icelandic banks. That let loose the problem of moral hazard. Knowing that they could depend on the CBI to come to their rescue, commercial banks began to operate without much concern for the level of risk.

Making matters worse, the CBI also lowered reserve requirements for commercial banks, enabling them to make more loans from the same deposit base, and it drove down interest rates. Icelandic banks found that in order to compete among themselves, they had to undertake increasingly risky loans. Icelandic banks engaged in massive short-term borrowing around the world in order to finance long-term investments.

Much of that investment went

into housing, just as was the case in America, aided by the government's Housing Finance Fund. The HFF was even worse than our atrocious mortgage twins, Fannie Mae and Freddie Mac. Bagus and Howden observe that while Fannie and Freddie had low mortgage standards, HFF had none at all. Everyone could get a low-cost mortgage. Residents splurged on luxury cars.

The prosperity bubble had other effects too, in particular, changes in the financial sector and the labor force. During the boom, many young people were drawn into banking and finance, which were "hot" fields, and

away from Iceland's traditional productive industries, especially fishing and related commerce. Bagus and Howden do an excellent job of driving home the vital point: Cheap credit distorts a nation in many ways.

In 2008, the air went out of the bubble, when foreigners realized that Iceland's currency was overvalued terribly. The inflow of cheap funds that the banks were hooked on

stopped. The CBI tried to keep the party going, but that was (and should have been known to be) hopeless. The economic crash swept over the country like a tidal wave: defaults, foreclosures, abandoned projects, unemployment. At one point, hunger was even a real prospect until several Scandinavian governments made an emergency loan to Iceland so that food importers could pay for shipments.

By now, Iceland's severe turmoil has subsided, and it is slowly adjusting back to normalcy, putting labor and capital back to profitable use. Many housing projects stand uncompleted; many of those luxury cars have been shipped off to bargain hunters elsewhere. The situation is akin to a once hard-working individual who wagered his wealth on a big gamble, lived it up for a while on early winnings, but has now been wiped out and has to start over.

The authors end by explaining how nations can avoid the boom-and-bust cycle that did so much damage to Iceland: sound money and banking. Money needs to be based on gold. Banks must never be led to think that the government will cover their losses. The boom-and-bust cycle is not an inherent feature of laissez-faire, but instead is a bug planted by government bungling.

CJ

George Leef (georgeleef@aol.com) is book review editor of The Freeman.



Book review

Though Not a 'Tell-All,' *Arm's Length* a Delightful Autobiography

• Dan Emmett, *Within Arm's Length: The Extraordinary Life and Career of a Special Agent in the United States Secret Service*, Bloomington, Ind.: iUniverse, 2012, 209 pages, \$18.95.

BY MELISSA MITCHELL
Contributor

RALEIGH

For the reader looking for a tell-all book by a Secret Service agent assigned to the White House, *Within Arm's Length: The Extraordinary Life and Career of a Special Agent in the United States Secret Service* will be disappointment. However, the reader who wants to read a great autobiography will be delighted.

Dan Emmett's story begins when President Kennedy was assassinated. Emmett was 8 years old when he first saw the images of President Kennedy's Presidential Protective Division agent climbing on the back of the limo to protect the president and first lady. At that point, one of his goals in life was to become a Secret Service agent and protect the president. The assassination attempt on President Reagan further solidified this goal.

Born in 1957, Dan Emmett credits his family for his determination and work ethic. "My mother was the quintessential mom of the 1950s and 1960s," always perfectly attired and resembling a TV mom. She vacuumed and cleaned their immaculate home in dresses and pearls and "had dinner on the table at six o'clock when my father arrived home from work," says Emmett. His father was the son of a Baptist minister. "Dad loved God first, his family second, and baseball third," says Emmett.

Emmett's elementary education in Georgia consisted of reading, writing, arithmetic, and learning American history as it actually occurred. "They said the Lord's Prayer during morning devotional, along with Bible verses and the pledge of allegiance. No one refused to join in any of these activities, and there were no complaints," states Emmett.

Many of his relatives were military veterans and served in World War II, including his father, and he always felt that it was "my duty, my destiny, in fact, to serve my country," and after college, he became a Marine Corps officer. He credits his Marine training for instilling the attitude of "leading by example" and "doing one's job was simply expected." Emmett's training and the discipline learned in the Marines were the "granite foundation" he says his Secret Service career would be built upon. Throughout the book, Emmett exhibits the old adage, "once a Marine, always a Marine!"

As noted, this is not a tell-all book; it is the account of Emmett's becoming a Secret Service agent, his training, and life as an agent. PPD agents are hand-selected after years of proving themselves.

He is quick to point out that all agents are apolitical. Any negative comments Emmett offers are made within the context of protecting the president. Emmett did not care for the

media, he did not care for Clinton's immature, spoiled rich-kid staff, nor did he like the political correctness that infiltrated the Washington establishment in the 1990s — all elements that he feels have made protecting the president more difficult.

Nor did the Hollywood elite impress Emmett. Because of the assassination of his two brothers and as the last surviving Kennedy son, Sen. Edward Kennedy, D-Mass., had protection during the 1984 presidential campaign. As part of that detail, Emmett attended many Hollywood parties. "It occurred to me, after attending these parties night after night and seeing the same faces at each event, that when actors are not working on a film, their main pastime is attending parties," says Emmett.

At one stop, an unnamed woman orders him to carry her suitcase into the house. Emmett says, "Sen. Kennedy quickly intervened and Kennedy in his best dialect, states, Err ah, the agents don't carry bags."

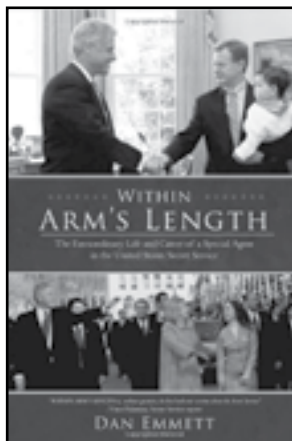
Emmett's goal of becoming an agent was not easy to achieve. Just getting an application took perseverance and determination. The training is exhaustive and continues throughout the agent's career. PPD agents live in a state of sleep deprivation from their exhaustive schedules, and their life is not glamorous. Protecting the president is so stressful that most agents serve for only four years.

Now retired, Dan Emmett served as an agent for 21 years — five of them protecting three presidents. Emmett says he wrote his book because many recent books portray the Secret Service inaccurately. To correct those misconceptions, his first appendix lists the most common myths about the Secret Service. One is that agents protect only the president. This is untrue, and he offers numerous examples of other investigative duties within the agency.

Appendix 2 provides a brief history of the Secret Service. Ironically, the day President Lincoln was assassinated he signed the bill that brought the service into existence, but the service would not start protecting the president until 30 years later. In the government world of acronyms, Appendix 3 is invaluable because it lists every acronym and its meaning used throughout the book.

At times Emmett's assignments were frighteningly dangerous as he traveled to foreign countries as a member of PPD's Counter Assault Team. Other times they were hilarious. One of the most compelling moments occurred while he was protecting Kennedy in Hyannis Port. The senator asked if the agents would like to visit President Kennedy's home. The senator took them to the door of the home, but then turned around without taking them inside.

As an avid reader, there are books that I can't put down and hate to see end; *Within Arm's Length* is one of those books. It is an informative, well-written book by a man who dedicated his life to protecting presidents and would have given his life willingly to protect every one of them. CJ



BOOKS AUTHORED BY JLF STAFFERS



By John Hood
President of the
John Locke Foundation

Selling the Dream Why Advertising is Good Business

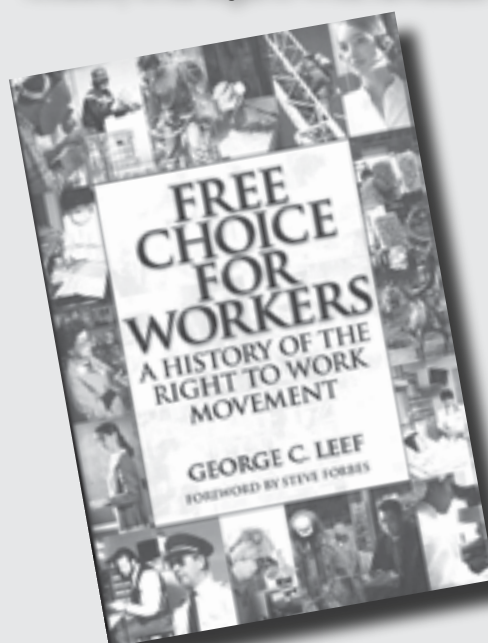


"[Selling the Dream] provides a fascinating look into the world of advertising and beyond ... Highly recommended."

Choice
April 2006

www.praeger.com

Free Choice for Workers: A History of the Right to Work Movement



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Vice President for Research at the
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COMMENTARY

The Fracturing Of Opposition

Natural gas exploration using hydraulic fracturing, aka fracking, may be moving forward in North Carolina. Gov. Bev Perdue recently changed her mind and supports it, with limitations. A new report says it's safe with the right restrictions and will create jobs. The General Assembly is ready to authorize it.

A bipartisan vote in the General Assembly supported natural gas exploration by passing the Energy Jobs Act in 2011. However, Perdue vetoed it, citing constitutional questions about entering into compacts with surrounding states. She also cited a commitment to renewable energy including oil and gas production and offshore wind resources. The Senate voted to override her veto, but the House hasn't yet garnered the necessary votes.



**BECKI
GRAY**

In the meantime, the General Assembly passed House Bill 242, instructing the Department of Environment and Natural Resources with the Department of Commerce and the Consumer Protection Division of the Justice Department to study the impacts of fracking and to hold at least two public hearings. The bill also increased the bond required to drill and the fees for drilling and established protections for landowners' leases. The governor signed H.B. 242 into law June 23 of last year, then vetoed the Energy Jobs Act a week later, creating some confusion over whether she supported fracking.

The study and a draft report were released to the Environmental Review Commission on March 22. They include DENR's analysis of environmental, public health, and infrastructure impacts, along with Commerce's analysis of the potential economic impacts. Additional studies by the Consumer Protection Division of the Department of Justice on legal issues associated with fracking are forthcoming.

The DENR study is somewhat limited because we can't determine the extent and richness of North Carolina's shale gas resources until the operation is underway. Even so, state geologists say there is a rich supply in the Sandhills — enough

to supply North Carolina's needs for 40 years. The study covers 59,000 acres of the total in the Triassic basin of 785,000 acres.

Fracking requires large amounts of water and sand, and this has raised environmental concerns. DENR found our water supply is adequate, though the timing of the water withdrawals from the basin would need to be managed to offset other users' needs. Any chemicals used in the process

require close monitoring. Methane releases may be caused by the proximity of the water supply to production sites and may be remedied with proper planning. Data from other states suggest fracking doesn't cause earthquakes. In short, the report says that with the right protections in place, fracking can be done safely.

Based on data from other states with successful fracking operations (Wyoming, Pennsylvania, New York, and Texas), Commerce estimates that in the first year of operation, Sanford would see 858 new jobs and sustain an average of 387 jobs annually over the seven-year time period studied. With a healthy fracking operation, North Carolina's economy would grow by \$453 million from all the new economic activity, and by 2019 drilling operations would boost the state's economy by \$292 million.

The Consumer Protection Division is anticipated to report on property rights, consumer protection in contracts and mineral leases, and payment of royalties.

The final report will be submitted to the General Assembly by May 1, in plenty of time for action during the short session.

The right measures need to be in place before issuing permits, and more studies need to be done to ensure everything is done right, but natural gas exploration in North Carolina is moving forward. For those of us who want reliable and affordable energy, this is very good news. *CJ*

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



OBAMACARE

EDITORIAL

With Friends Like These ...

Gov. Bev Perdue's longtime friend Trawick "Buzzy" Stubbs is trying to stay out of jail and keep his law license. In doing so, he has given state investigators looking at the inner workings of Perdue's 2008 campaign plenty of ammunition if they seek to train their sights on campaign officials and state employees who worked for Perdue at the time, if not the governor herself.

The New Bern attorney and law partner of Perdue's late former husband does not deny arranging flights for the campaign of then-Lt. Gov. Perdue that were valued far above the legal limit for contributions. Instead, he says that he notified the campaign and Perdue's office about the flights when they happened and that campaign officials should have figured out how to account for them.

Stubbs arranged \$28,498 in flights for the Perdue campaign. Individual donors can contribute no more than \$8,000 to a candidate during a primary and general election cycle.

The Perdue committee was fined \$30,000 in August 2010 by the State Board of Elections for more than 40 flights from donors that were not reported in a timely manner. Earlier this year Stubbs, along with three other Perdue campaign officials or fundraisers, was charged in a state investigation of the campaign. Former campaign finance director Peter Reichard took a felony plea in February.

Stubbs presented extensive details of the flights in a March 7 motion to dismiss his two felony charges. The filing suggests the creation of an elaborate scheme by officials with the

campaign and the lieutenant governor's office to let donors who had given the maximum amount evade campaign laws and make additional illegal contributions.

In a report prepared for the elections board's probe of Perdue's campaign, investigator Kim Strach said that in 2006, Stubbs had worked with Reichard to assemble a list of "aircraft providers for Perdue committee flights."

Stubbs' motion offers thorough details of nine flights he arranged between January 2007 and September 2008. He was not repaid before May 2009, after Perdue became governor.

In each instance, Reichard asked Stubbs to arrange a flight for Perdue. Stubbs would book the flight, and someone from his law office would email the time of the flight, the name of the pilot, the type of plane, and the tail number of the aircraft to Reichard or a member of the lieutenant governor's staff. The campaign used this information to estimate a cost, using the website planequest.com as a reference.

This arrangement — the purchaser sets his own price and doesn't pay up front — was not unlike the deal former Gov. Mike Easley got from Fayetteville auto dealer Bobby Bleeker, who let Easley's family keep a GMC Yukon for six years and pay for it when they turned it in.

Stubbs' motion says "at least nine individuals associated with the lieutenant governor's office and the campaign were aware of Stubbs' flights. ..." Let's hope we eventually hear from them, in a courtroom, under oath. *CJ*

EDITORIALS

Smart Privatization

Government needs to use the right tool for the job

The John Locke Foundation for years has advocated privatization, outsourcing, and competition as useful tools for building effective public policies. But not every tool is appropriate for every job — and even the best tools can do more harm than good if used incorrectly.

The North Carolina General Assembly has directed state correction officials to explore opportunities for contracting out medical care, prison maintenance, and other services to private firms. Back in September, the state issued a request for proposal to manage the system's health services for seven years. Currently, inmate health care costs taxpayers nearly \$250 million a year.

As *Triangle Business Journal* reported in March, the state received no bids. Potential private contractors appear to be put off by several provisions of the RFP, such as a required \$100 million performance bond and a costly electronic-records requirement. Corizon, a Tennessee-based company that has won similar contracts in other states, also objected to the idea of being allowed only a single tour of Central Prison's hospital before submitting a bid.

So for now, the state has abandoned the idea. There doesn't appear to be any private interest in pursuing the contract under those terms, and

the state doesn't appear to be willing to change the terms.

It is important to understand that, despite all the political controversy that surrounds privatization, both public and private managers engage in these kinds of discussions and negotiations all the time — and they should.

They are faced with many "make or buy" decisions. Sometimes they make or do things internally. Sometimes they hire outside vendors to make or do things, for reasons that may include cost, speed, quality, or accountability.

North Carolina state and local governments already contract out or partner with private entities to perform many tasks. In fact, they couldn't function without private vendors. Public officials always should be open to the possibility of other contracts or partnerships in the future. That doesn't mean they should accept every offer.

Furthermore, privatization initiatives are likely to succeed only to the extent that they are wisely structured and carefully managed. Getting the details right ahead of time — what is expected, when and how it should be delivered, and who is accountable when things go wrong — is essential to producing good outcomes for taxpayers. *CJ*

Protecting Rights

Eminent domain reform no threat to economy

After the U.S. Supreme Court declined to protect private property from unjust government confiscation in its 2005 *Kelo* decision, the backlash from Americans across the political spectrum led many states to strengthen their protections against the abuse of eminent domain — that is, the government's power to condemn and acquire private land.

North Carolina's constitution is the only one among the 50 states that fails to address the issue in any meaningful sense. Two of our neighbors, South Carolina and Georgia, recently amended their constitutions explicitly to forbid the gross violation of property rights that Susette Kelo and her neighbors endured in New London, Conn.

All states continue to take private property, as long as the taking is for public use and the owner is justly compensated. But in North Carolina, there is no real protection against

government taking private property for the private use of some politically connected party, such as a developer or corporation. Local officials see broad eminent-domain power as a good thing — as a potential tool for economic development.

There's a very good philosophical answer to this argument: Mind your own business. You are entitled to speculate about how you might better use my property, but that does not entitle you to my property.

Nor is there good evidence that states imposing tighter controls on eminent domain grow slower or create fewer jobs than states with more permissive rules.

North Carolina should move forward with a property-rights amendment as soon as possible. There is no compelling economic rationale for waiting and a strong philosophical rationale for acting. *CJ*

COMMENTARY

Political Cooperation Isn't Dead

It's an election year, and both major political parties have an interest in accentuating the differences between Democratic and Republican candidates for governor, legislature, and other North Carolina offices.

But as a nonpolitician, I have an interest in promoting a broader understanding of North Carolina government among the general public. To that end, let's consider a few policy areas where the two major parties have grown closer together, not further apart, over the past couple of years.

For example, for nearly two decades the John Locke Foundation and other fiscal conservatives argued that North Carolina's state bureaucracy had grown into a costly and confusing mess. Several separate state agencies were responsible for related matters such as financial management, business regulation, and public safety. In our very first alternative state budget, published in 1995, JLF proposed consolidating some of these agencies in order to straighten out lines of political accountability, improve the delivery of public services, and save tax dollars.

In her 2011-13 budget plan, Gov. Bev Perdue did exactly that. For example, she proposed that the separate departments of Correction, Crime Control & Public Safety, and Juvenile Justice be combined into a single Department of Public Safety. She also proposed that the Employment Security Commission become an agency within the Department of Commerce. And she pitched a new Department of Administration and Management to encompass work previously performed in four separate agencies or departments.

The first two ideas made their way into the General Assembly's final budget, saving taxpayers millions of dollars a year.

Another area of bipartisan cooperation last year was sentencing reform. Thanks in part to a privately funded project called Judicial Reinvestment, state lawmakers and the Perdue administration crafted a plan to improve the supervision of paroled North Carolina felons and make better use of incentives and

drug-treatment programs to manage nonviolent offenders.

Both liberals and conservatives saw the resulting Judicial Reinvestment Act as a step toward spending public dollars more wisely while reducing recidivism in North Carolina's criminal-justice system. The bill drew broad bipartisan support and became law, potentially saving North Carolina taxpayers nearly \$300 million over the next few years in lower operating and capital costs for prison beds.

More generally, while the differences between Perdue's budget proposal and what the Republican-led General Assembly eventually enacted have become political fodder, what is often missed is that the two budgets weren't really all that different in their broad outlines.

Perdue's budget held General Fund spending 4 percent below the "current services" baseline for FY 2011-12, while re-imposing a sales-tax increase from 2009 that was about to expire. The legislature's budget that finally passed over the governor's veto held General Fund spending 6 percent below the baseline and let the sales-tax hike expire as scheduled. And despite the ensuing political controversy, the difference between the two budgets in education spending was even smaller — less than 1 percent, when correctly measured.

It's important to remember that despite all the hoopla and angst, the 2011 legislative session featured instances of bipartisan cooperation, not just on fiscal matters but also on such issues as education policy and annexation reform.

If Pat McCrory is elected governor and the GOP retains control of the General Assembly this fall, that won't be the end of Democratic participation in major policy initiatives in 2013 and beyond. And if Democrats win either the gubernatorial race or a legislative chamber or both, that won't be the end of Republican participation in major policy initiatives in 2013 and beyond. *CJ*

John Hood is president of the John Locke Foundation.



JOHN HOOD

EDITORIAL BRIEFS

Social Security
Tax Cut

In December 2010, Congress passed a Social Security payroll tax reduction that was supposed to apply only in 2011. It since has extended the cut, continuing a policy that is inflicting a great deal of fiscal damage, says Charles Blahous of the Hoover Institution.

The payroll tax cut is a policy disaster for a variety of reasons. It undermines Social Security's finances exactly as demands on it are growing with the retirement of baby boomers. Money to cover the payroll tax cut comes from the federal government's general fund, so the tax cut worsens the already large federal budget deficit.

The whole debate about the payroll tax cut and resulting transfer has undermined budget transparency while destroying the historical compact that made Social Security politically inviolate. Extending the tax cut has created a constituency for leaving the cut in place permanently.

"Our public policy process is ever an imperfect one, necessarily producing messy outcomes because of the compromises necessary between conflicting perspectives," Blahous says.

"But even by these standards, it is rare for policymakers to inflict as much damage as is being done with the payroll tax cut."

Voter registration

A new paper by the Pew Center on the States highlights problems with the nation's voter registration system, which is characterized as being "inaccurate, costly, and inefficient."

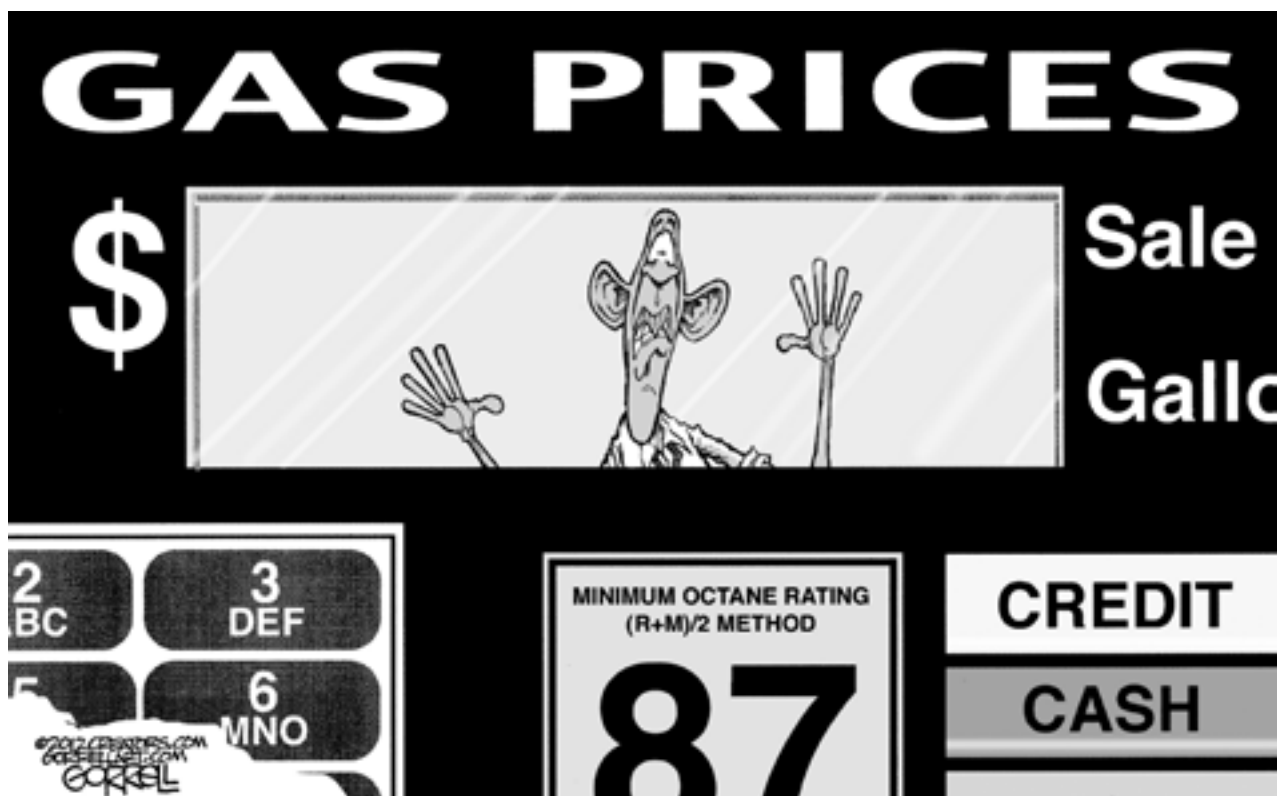
The study found that one in eight voter registrations contained significant inaccuracies or no longer was valid. That included 12 million records with incorrect addresses, either because the voter has moved or the record contains errors significant enough that a letter sent by the U.S. Postal Service would be unlikely to reach them.

Wrong addresses are far from the worst problems: Some 1.8 million dead people are listed on voter rolls. Over 2.75 million people are registered to vote in more than one state.

A major cause of the problems is that many people change addresses during their adult lives. One in eight Americans moved during 2008 and 2010. Young adults and those in the military move even more frequently.

At the same time, the nation's paper-based voter registration system, which relies heavily upon manual data entry, is costly to operate. A 2008 study found that Oregon spent \$4.11 per active voter to maintain a voter list, or \$7.67 for every new or updated registration. By comparison, it costs Canada, which relies on more modern technology, only \$0.35 per transaction.

Mariocopa County, Ariz., which includes Phoenix, offers online voter registration, which cost 3 cents to process, as compared to 83 cents for a paper form. CJ



Common-Sense Proposals

Taxes, debt, spending, bankruptcy, high unemployment — these are some of the top problems the country faces. Are there easy solutions? No. But are there solutions that make common sense, which can be considered "fair" by a sizable number of people, and which could be implemented in an acceptable way to various interest groups? I think there are.

Taken together, this package of proposals, which is not original with me, gives a plan that promotes prosperity and jobs, motivates private and public fiscal responsibility, and still maintains a safety net for the vulnerable and weakest among us.

The common-sense approach has four major parts. Here are the details.

• **Implement a Consumption Tax:** Economies depend on investments in both physical and human capital to make progress over time. One of the problems with the income tax is its bias toward consumption (spending) over saving and investment. Numerous deductions and credits in the tax code motivate spending, whereas investment returns are sometimes taxed multiple times.

A solution is a consumption tax. Here a taxpayer's income is separated into two parts: one part that is spent, and a second part that is saved and invested. Only the part spent is taxed. The part saved, as well as the investment returns from that saving, is not taxed until those funds are cashed in and spent.

• **"Tweak" Social Security:** Social Security is the mandatory national pension program. However, for decades experts have been predicting a "cash flow" problem in Social Security as a result of the rapidly retiring and large (in numbers) baby boom generation.

If the program is to be kept in its present form, analysts say two simple changes could substantially extend its life. First, increase the retirement age for full Social Security benefits to 70. Second, use a less generous "inflation adjuster" for calculating the recipient's initial pension. Importantly, these changes

would be "grandfathered," meaning current retirees and those near retirement age would not be affected.

• **"Voucherize" Health Insurance:** Medicare — the federal health care program for the elderly — is one of the fastest-growing government programs. It's widely thought addressing the national debt will require slower growth in Social Security and Medicare.

Although Medicare certainly has user fees and spending restrictions, for the most part there is a fiscal disconnect between the beneficiary of the medical services and payment for those services. Also, the program makes few distinctions between wealthy and poor recipients. Nearly everyone receives full financial support from Medicare.

One idea that is receiving much current attention would be to convert Medicare to a premium-supported voucher program. Elderly users of Medicare would purchase private-market insurance for their medical and health care needs. However, the government would support this purchase by providing each user with a fixed amount of funds to be spent purchasing this insurance. But the amount of voucher support would be calibrated based on the user's income.

Such a system would unleash consumer interest in monitoring the costs of medical care, since all users would have some of their own money on the line! Competition between alternative providers would be spurred. And government expenditures for this new program would be more predictable and controllable.

• **Cash Out the Safety Net:** We have many programs to assist low-income households, such as Food Stamps, Temporary Aid to Needy Families, and Medicaid, to name only a few. Each has its own rules and regulations and bureaucracy to monitor those controls.

A longstanding recommendation has been to convert these programs to cash grants for eligible households, and allow households to decide how best to use the funds. The cash grants would be structured carefully to preserve an incentive among recipients to earn more by working. CJ

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MICHAEL
WALDEN

GOP, Don't Emulate Ethics of Predecessors

North Carolina used to be known as a "good government" state, largely free of corruption and selfish manipulation of the political process. Public debate centered on outcomes, and the state's policies were legitimized as a result.

Then came the 2000s. The past decade has seen a litany of ethics violations that primarily involved Democrats. In 2003, Agriculture Commissioner Meg Scott Phipps was convicted of extracting campaign contributions from bidders for the State Fair contract. In 2005 and 2006 Speaker of the House Jim Black was embroiled in three scandals — a controversy over the establishment of the state lottery; the "buying" of Rep. Michael Decker, a Republican who defected to the Democrats in order to assist Black's re-election as speaker; and the acceptance of bribes from chiropractors who had legislation pending before the legislature. Black got four years in prison.

Corruption even reached the governor's office. Mike Easley pleaded guilty to a violation of campaign finance law for accepting free flights from business associates. As a result,



ANDY TAYLOR

he became the first governor of the state to be convicted of a felony. A close aide, Ruffin Poole, was charged with dozens of counts of corruption for securing environmental permits for supporters of the governor and went to prison. Easley's wife, Mary, was fired from a high-paying job at N.C. State University that, at the very least, was secured unfairly. The issue of free flights from campaign supporters has plagued Easley's successor, Beverly Perdue, as well. In August 2010, the State Board of Elections fined her campaign \$30,000 for failing to report 42 trips as contributions during her 2008 run for the office.

Then there were Democratic members of the state's past and current congressional delegation. First-term Rep. Frank Ballance was sentenced to four years for mail fraud and money laundering in a scheme to divert state funds into his own pocket from a youth program he ran. Former U.S. senator and Democratic vice presidential nominee John Edwards was caught in a sex scandal with a campaign aide after his 2008 bid for the party's presidential nomination ended. The episode has turned into a full-bore corruption case, and Edwards awaits trial in federal court. I haven't even mentioned scandals involving Democratic state legislators like Sen. Tony Rand, Sen. R.C. Soles, and Rep. Thomas Wright or those involving prominent agencies in Demo-

cratic administrations like the State Bureau of Investigation, Highway Patrol, and Division of Motor Vehicles.

The principal beneficiaries of all this were the state's Republicans. Following the 2010 elections, they formed the majority in both chambers of the General Assembly. With Pat McCrory leading in the polls of the gubernatorial race, the party could take complete control of state government for the first time since Reconstruction. Let us hope our politics become cleaner as a result.

The early signs could be more encouraging. Republicans, who promoted a fair and transparent policy process when in the minority, have become fixated on outcomes now that they govern. The House's override in an opaque midnight session of the payroll deduction bill affecting the North Carolina Association of Educators is one reason to worry. Another is House Speaker Thom Tillis' decision to enforce a previously unused rule prohibiting the public from visiting the second floor of the legislative building — a place where members are most accessible.

Republicans in the General Assembly also have gerrymandered state legislative and congressional districts to suit their interests. Under the old plan, seven congressional districts supported John McCain in the 2008 presidential election; six voted for Barack Obama. The two men essen-

tially tied in the state. Under the new plan, however, McCain would have won 10 districts to Obama's three.

None of this is illegal. It is far from being the moral equivalent of what Easley and Black did. But it is, nevertheless, disappointing. Republicans in this state were the guardians of the process. I worry that if they continue to govern in the way they have over the past year or so, there will be no one left to protect us.

From a political perspective, the Republicans' decision to run roughshod over process may not hurt them. An N.C. State colleague and I have studied the role the Democrats' corruption played in the choices of voters during the 2010 state legislative elections. We find that those who knew of the scandals were more likely to vote, but this was because they followed politics closely anyway. Knowledge of scandal was not accompanied by a greater likelihood of voting Republican.

That does not alter my point, however. A responsible governing party is obligated to maintain a healthy process, even if this makes it more difficult for it to turn its policy preferences into law. CJ

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Eisenhower a Hero of the Ages

As a child of the 1950s, I grew up viewing President Dwight Eisenhower as a commanding yet grandfatherly figure.

During the Cold War, we went through "duck and cover" and air raid drills and built bomb shelters, but still I felt safe with Dwight Eisenhower at the helm leading our country.

Recently, I've begun to reflect more on Eisenhower's life and career.

Born Oct. 14, 1890, in Denison, Texas, the third of seven boys, Ike was the last president born in the 19th century.

An outstanding athlete in high school, Ike also had an interest in military history. Both those things translated eventually to an appointment to West Point in 1911. There, Eisenhower was an average student with a fond-

ness for mathematics, English, engineering, and football. In fact, he once tackled the legendary Jim Thorpe of the Carlisle Indians. "Ike" graduated in the middle of his class in 1915.

That West Point class became known as "the class the stars fell on" as 59 of those cadets eventually became general officers.

During World War I, he requested overseas duty, but was denied — assigned instead to help train the new tank corps. After the First World War he served under a succession of standout generals, including John J. Pershing, Douglas MacArthur, and George C. Marshall.

After the attack by the Japanese on Pearl Harbor, he served under Chief of Staff Marshall, who spotted his talent and quickly promoted Eisenhower in the ranks.

Ike served as supreme allied commander in the North Africa campaign and later in 1943 was named by President Roosevelt as the supreme allied commander of Europe.

Eisenhower was charged with the planning of the Allied assault on

Normandy and effectively prosecuted the liberation of Europe (Operation Overlord) and the invasion and defeat of Nazi Germany.

Ike's devotion to duty and personal responsibility never was more apparent than by his draft of a statement to be released should the invasion fail:

"My decision to attack at this time and place was based on the best information available. The troops, the air, and the navy did all that bravery and devotion to duty could do. If any blame or fault attaches to this attempt, it is mine alone."

Can you imagine any general or politician today willing to take full responsibility for a failed mission?

But "Operation Overlord" did not fail. Europe was liberated, and Nazi Germany was defeated. Later, the Japanese capitulated.

In 1952, Eisenhower defeated Democrat Adlai Stevenson in a landslide victory for president.

One of his signature achievements was the building of the interstate highway system we continue

to use today, which is crucial to the commerce of this country.

During his presidency, Ike ordered the desegregation of Washington, D.C., public schools and dispatched troops from the Army's 101st Airborne Division to protect black students who integrated public schools in Little Rock, Ark.

Ike stood firm against Communist aggression around the world. He ended the Korean War, and America enjoyed eight years of peace and prosperity.

Ike was a soldier, diplomat, politician, statesman, and patriot — selfless in his commitment to our country.

Duty, honor, and country — these were not just words to Dwight Eisenhower. They were his life. CJ

Marc Rotterman worked on the national campaign of Reagan for President in 1980, served on the presidential transition team in 1980, worked in the Reagan administration from 1981-84, is a senior fellow at the John Locke Foundation, and a former member of the board of the American Conservative Union.



MARC ROTTERMAN

Hoke Schools To Track Student Nutrition On iPods *(a CJ Parody)*

BY NAN E. STATE
Food Editor

RAEFORD
Following the incident at a North Carolina preschool at which cafeteria food was substituted for missing items in a 4-year old's homemade lunch, the Hoke County school system has been selected to participate in a test project that will attempt to track the total daily nutrition of pre-kindergarten and elementary school students.

U.S. Department of Agriculture spokesman Aaron Lavalley told *Carolina Journal* that department analysts realized merely monitoring a student's lunch could lead to false conclusions about the student's daily nutritional intake. "We don't like being called the food police, but we do want to know everything they eat," he said.

Hoke County is one of 17 school systems across the country selected by USDA to participate in a one-year program named Nutrition Tracker, scheduled to begin in September. USDA nutrition experts have been working on the project quietly for months, but decided to go public after the Hoke County incident remained in the national news for several weeks. Funding for the \$137 million program will come from reallocated surplus federal stimulus funds.

For the pilot project, each child

will be given an Apple iPod Touch with a special application that displays

pictures of different foods. Every time a child consumes food, he will be required to select a picture matching the food and the portion consumed. Every morning, teachers will instruct the children how to go online and send their information to the Hoke County Nutrition Tracker program coordinator.

To ensure the cooperation of parents, each child's family will receive a \$2,000 tax-free compliance assistance grant.

After three months of data collection, the coordinator will generate an "ideal lunch" suggestion for each child. The custom lunches will then be served in the school cafeteria

for the remainder of the school year.

Lunches brought from home will be prohibited when the ideal lunch plan is implemented.

Parents also will be rated on the quality of nutrition they provide for meals that aren't served at school. Those achieving certain benchmarks will qualify for iTunes gift cards.

The Nutrition Tracker will be automatically synched with the federal Department of Agriculture, which sets guidelines for children's nutrition. If a child is eating too many of the wrong things, the specially constructed, government-issued iPods will vibrate as a warning. If that warning is ignored, the iPod will begin inflicting

electric shocks to get the child's attention.

"We feel that after a few of these shocks, the child will beg the parent to give them appropriate foods," explained the Department of Agriculture's Lavalley.

CJ first reported on the Hoke County situation Feb. 14. A preschooler at West Hoke Elementary School ate three chicken nuggets for lunch on Jan. 30 because the school told her the lunch her mother had packed was not nutritious.

The girl's turkey-and-cheese sandwich, banana, potato chips, and apple juice did not meet USDA guidelines, according to the interpretation of the person who inspected lunches in the NC Pre-K classroom that day.

The Division of Child Development and Early Education at the N.C. Department of Health and Human Services requires all lunches served in pre-kindergarten programs to meet USDA guidelines.

Lunches must consist of one serving of meat, one serving of milk, one serving of grain, and two servings of fruits or vegetables, even if the lunches are brought from home. When home-packed lunches do not include all of the required items, child care providers must supplement the lunches with the missing ones. *CJ*



An Apple iPod Touch showing the Nutrition Tracker student food application. (CJ spoof graphic)

Visit the John Locke Foundation's Regional Blogs

In addition to our statewide blog, The Locker Room, the John Locke Foundation has five regional blogs that keep an eye on local officeholders, watch for waste of taxpayers' money, and search for incidents of public information being kept from the public's eye. Be sure to visit the one that covers your region.

RIGHT ANGLES

The Triangle Blog: <http://triangle.johnlocke.org/blog>

The Meck Deck

The Charlotte Blog: <http://charlotte.johnlocke.org/blog>

Piedmont Publius

The Triad Blog: <http://triad.johnlocke.org/blog>



THE WILD WEST

The Western N.C. Blog: <http://western.johnlocke.org/blog>

Squall Lines

The Wilmington Blog: <http://wilmington.johnlocke.org/blog>