

Tillis-sponsored bill would ease barriers to marijuana research

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CAROLINA JOURNAL

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A dying industry?

Regulations, changing markets, and cultural shifts are changing the way we say goodbye



LINDSAY MARCHELLO
ASSOCIATE EDITOR

Walk through a cemetery, and you notice a quiet, reverent hush.

Some graves and cemeteries are cared for with a meticulous touch, lush with the greenest grass and a sea of floral bouquets. Others are slightly overgrown and aged, yet they hold a serenity all their own.

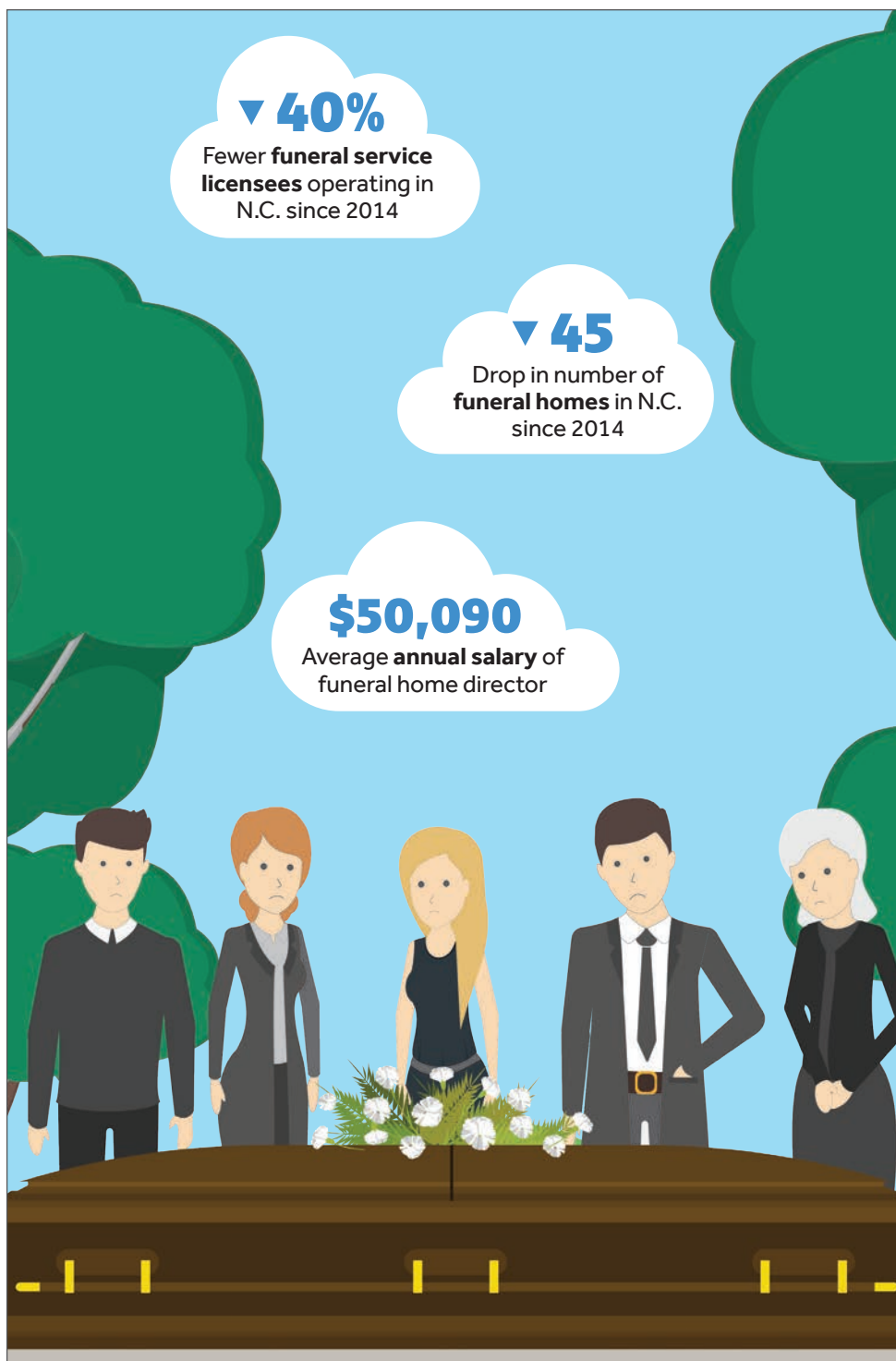
Yet death isn't a comfortable subject to talk about, and that cultural avoidance runs counter to a strong sentiment to remember the dead. The ways we remem-

ber the dead, and what we do with their remains, are shifting, but the funeral industry and lawmakers aren't necessarily adjusting to those changes.

The prognosis for the funeral industry in the U.S. as we've come to know it isn't good, says one law school professor. Federal and state regulations are hampering the funeral business and dissuading entrepreneurs from entering it, which could result in an industrywide crisis, or worse.

The U.S. funeral service industry is an estimated \$20.7 billion per year business, and the average traditional funeral costs anywhere between \$8,000 to \$10,000, according to a Public Broadcasting System

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SOLAR ENERGY

Massive solar project approved after relocation

BY DON CARRINGTON

The N.C. Utilities Commission has approved a massive Beaufort County solar project after the developer relocated the portion of the project that would have surrounded the Terra Ceia Christian School.

Several area residents and school supporters opposed the project after they realized it would surround the small school in the heart of the Terra Ceia community.

Wilkinson Solar will build the facility. Plans call for a 74-megawatt solar electric generating plant that will take up 600 acres, with 288,120 solar panels rising six to 10 feet above the ground.

In May, a three-member Utilities Commission panel held hearings and took testimony from opponents and the developer. Wilkinson ultimately amended its application. The project is still planned in the community near Pantego in Beaufort County, but the closest solar panels will be about 1,400 feet from school property. Wilkinson officials have said the project won't proceed until it finds a buyer for the electricity.



Interview with Jonathan Kappler

Jonathan Kappler takes the reins at N.C. FreeEnterprise Foundation.

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EDITOR-IN-CHIEF

Rick Henderson
@deregulator

MANAGING EDITOR

John Trump
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EXECUTIVE EDITOR

Don Carrington
dcarrington@carolinajournal.com

ASSOCIATE EDITORS

Mitch Kokai
@mitchkokai

Lindsay Marchello
@LynnMarch007

Kari Travis
@karilyntravis

Dan Way
@danway_carolina

DESIGNER

Greg de Deugd
@gdedeugd

PUBLISHED BY



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

Kory Swanson
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N.C. becomes newest affiliate of online Western Governors University



WESTERN GOVERNORS UNIVERSITY. Catherine Truitt, shown here during an Oct. 5 press conference.

RALEIGH — The Western Governors University is heading east.

WGU, an online college for nontraditional students, officially opened a North Carolina affiliate Oct. 5. The school already serves 1,100 students here but will expand publicity and access, said Catherine Truitt, the program's new chancellor.

Truitt, who was senior education policy adviser for former Gov. Pat McCrory, announced the school's opening alongside Lt. Gov. Dan Forest at a press conference.

WGU offices will be housed in Research Triangle Park.

WGU was founded in 1997 by 19 U.S. governors and began accepting students in 1999. Its mission is to offer low-cost, high-quality education nationwide. Headquartered in Salt Lake City, the nonprofit university serves 83,000 students in all 50 states. Other offices are spread across Arizona, Indiana, Washington, Nevada, Texas, Missouri, and Tennessee. WGU may add another affiliate in Ohio.

Truitt had been assistant vice president for academic and university programs at the UNC system's General Administration be-

fore assuming her new role.

UNC helped WGU secure accreditation in North Carolina, she said.

The online school won't be competition for UNC. It actually complements the university system, she said.

WGU, which has no connection to "brick and mortar" universities, caters mostly to students between the ages of 30 and 40, including many military veterans.

"We have a lot of working adults who are stuck where they are, and a traditional university is just not an option for them," Truitt said. "Which is why I say we're not a competitor."

The university employs 2,436 full-time and 782 part-time faculty members across the country. Many work from home.

Students enrolled at WGU already have some college experience. The university is divided into four colleges: business, IT, education, and health/nursing.

WGU partners with hospitals, school districts, and community colleges to provide clinical training for students. Tuition is \$3,000 a semester and covers the cost of books, Truitt said. Bachelor's and master's degrees are available.

Municipalities lining up to approve early Sunday brunch; N.C. distillers prosper

BY JOHN TRUMP

Add tiny Misenheimer to the list of the 124 North Carolina municipalities and 19 counties to allow restaurants and stores to serve alcohol beginning at 10 a.m. Sunday.

Misenheimer is the second municipality in Stanly County to approve the sales, which were made legal as part of Senate Bill 155, also called the brunch bill. The other is Albemarle, although the county hasn't yet approved the move.

What's interesting is that the village of about 800 people has no restaurants or businesses that would use the rules. But, as reported by *The Stanly News & Press*, "council members wanted to be proactive on the matter."

Misenheimer voted to allow alcohol sales in 2016. The village is home to Pfeiffer University, a private liberal arts university affiliated with the United Methodist Church.

Gov. Roy Cooper signed S.B. 155 into law June 30. The bill also allows craft distillers to sell five bottles to customers each year and allows the distillers to offer tastings at festivals and other events. The tastings are contingent on local approval, as are the Sunday brunch sales. North Carolina first allowed distillers to sell alcohol in October 2015, but purchases were limited to one bottle per customer per year.

The 19 counties approving the bill include Wake, Durham, and Orange in the Triangle.

Andrew Norman is the master distiller for Greensboro Distilling Co. and Fainting Goat Spirits in Greensboro, which makes Tiny Cat Vodka and Emulsion Gin. Greensboro and Guilford County have both approved the "brunch" portion of the bill.

Customers' response to the measure, he said, has far outweighed expectations.

"The brunch bill has been tremendous for us," he said. "We saw an immediate impact. I would say our bottle sales per person have tripled since the brunch bill has passed.

Before the bill passed, our customers would try all of our products, and then have to choose which bottle they wanted to purchase. Now they can take home at least one of each product we make, especially folks that live in parts of the state that we are not readily available or out-of-state customers.

"I even had a couple from Florida stop in for a tour and tasting the other day, and they bought their 10 bottles for Christmas gifts for their friends and family in Florida. And with our single malt whiskey coming out this December, our customers don't have to do the math, or get turned away because they bought a bottle of our gin 50 weeks ago."



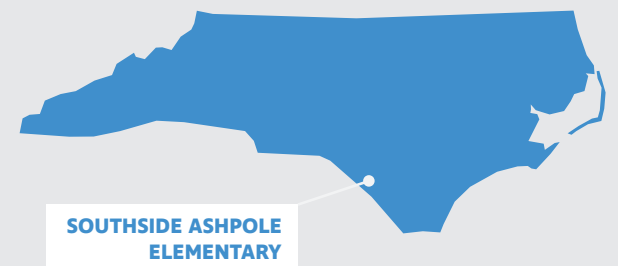
Robeson County school recommended for Innovative School District

The Innovative School District plans to recommend Southside Ashpole Elementary in Rowland as the first school to take part in the program, beginning with the 2018-19 school year.

Southside Ashpole Elementary was part of an original list of 48 low-performing schools in North Carolina eligible for ISD. The program aims to give charter school or education management operators the opportunity to turn around struggling schools with wider flexibility not typically afforded traditional local school districts.

Board members will get the chance to hear the recommendation during the November meeting of the State Board of Education. They will vote on the proposal in December.

Originally, the ISD planned to recommend two schools for the program, but



ISD Superintendent Eric Hall has decided to go with recommendations during the October SBE meeting to start with one school.

"Our goal is to work collaboratively with the Public Schools of Robeson County, parents, teachers, and community leaders to develop innovative strategies in schools that promote improved student outcomes," Hall said in a press release.

SBE plans to choose a total of five schools for the ISD program in the coming years, but for now Southside Ashpole Elementary

stands alone.

"For those schools under consideration for the ISD not yet recommended for selection at this time, this is an opportunity for them to focus attention and energy at the local level on improving student outcomes based on district plans," Hall said. "I believe that working together we can establish a national model for how state and local partnerships are created with a single goal for promoting equity and excellence in supporting students and communities."

QUICK TAKES

N.C. ranks ninth on school choice index but has much room for improvement

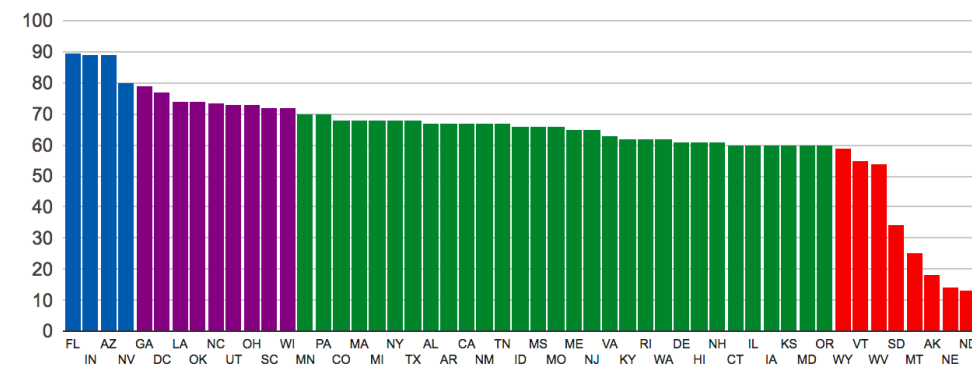
Proponents of school choice in North Carolina have reason to cheer the state's ninth-place ranking in the Center for Education Reform Parent Power! Index for 2017.

But they may want to soften their applause, as challenges remain in providing even more parents and students with diverse educational opportunities.

"When it comes to the education of their kids, every parent deserves robust opportunities to control the education of their youth and access to full transparency of information to allow them to be informed consumers," said Jeanne Allen, founder and chief executive of CER. "Every state should want to score an A on the Parent Power! Index."

North Carolina ranks

States ranked by 2017 Center for Education Reform Parent Power! Index



SOURCE: CENTER FOR EDUCATION REFORM

Grading Key **A** **B** **C** **D** **F**

higher than the national parent power average, at 73 percent, but is ninth with only a C. The U.S. average PPI score is 63 percent, with 36 percent for school choice and 46 percent for transparency. CER found that only one in three states provides

significant charter school opportunities.

CER is a nonprofit school-choice advocacy group promoting more innovative education options for students across the country.

The CER national study ranks the ability of parents

to control their child's educational future on a scale of zero to 100. Included in the study is a review of teacher quality, transparency of school performance data, and digital and online learning opportunities. Florida, Indiana, and Arizona have

the highest PPI scores; North Dakota, Nebraska, and Alaska trail far behind.

Plenty of room for improvement remains in North Carolina.

Transparency of school performance data scored 70 percent, for example. While school report cards are easy to find on the Department of Public Instruction website, analyzing the data is far more difficult.

CER praised North Carolina legislators for removing a cap on the number of charter schools and for authorizing more innovative charter schools. But it gave the state a 78 percent rating for a lack of equitable funding and multiple, independent authorizers. The N.C. Charter Schools Advisory Board is the lone entity allowed to authorize charter schools, and

it prohibits charter school operators from appealing the board's decisions.

Teacher quality in North Carolina is a mixed bag, says CER, which gave the state 72 percent. Identifying effective teachers received a B-, and firing ineffective teachers scored an F. Expanding the teacher hiring pool earned a D. Retaining teachers, pension plans, and delivering well-prepared teachers all earned a C.

The PPI indicates North Carolina could vastly expand student access and eligibility for the Virtual Public School. As CER notes, the N.C. Virtual Public School is the second largest in the country but has limited student access. A cap of 1,500 students for the state's first virtual charter school prevents it from meeting demand.

New program hopes pay boost will entice teachers to rural areas

A NEW INITIATIVE in North Carolina, Teaching Scholars Award Program, aims to encourage young teachers to work in rural areas in exchange for financial rewards and enrichment opportunities.

A collaboration between the N.C. State University College of Education and The Innovation Project, a working group of 24 district superintendents, formed the Teaching Scholars Award Program. They'll award at least 10 college juniors a \$10,000 financial award if they teach for two years after graduation in one of the five school districts facing teacher shortages.

The pilot program includes districts in Cabarrus, Johnston, Lenoir, Onslow, and Wayne counties. Applications for the pilot phase opened Oct. 15 and end on Jan. 15, 2018.

Not only will teaching scholars receive four payments of \$2,500 from the district in which they teach. They also will have the opportunity to engage in free professional development, such as the Beginning Teacher Institute. Partici-



pants will get to network with other teaching scholars and experienced teachers, as well as work in one of the school districts during the summer before their senior year.

"We hope that having the financial award will be enough to pique their interest, and then we hope that

they will see that these really are great places," Ann McColl, CEO of The Innovation Project told the *News & Observer* of Raleigh. "We think we can help build a community around them that can support them. Then they can see themselves as a part of something bigger."

Those on the left have

repeatedly blamed low pay for the shortage of teachers. The starting salary for new teachers is \$35,000 annually, though local counties often provide supplements. Wealthier school districts are able to provide a higher supplement compared to low-income districts, which could incentivize young

teachers to choose wealthier districts over lower-paying ones.

Salary may not be the only influencing factor, as young teachers may be reluctant to move to an unfamiliar rural area with fewer local attractions. Having a strong support element for young teachers to rely on

may help alleviate any fear they may have about moving to a new area. A financial award is no doubt a powerful incentive, but professional development and a mentoring system go a long way to attracting young teachers.

Terry Stoops, vice president of research and director of education studies at the John Locke Foundation, says the program is a good start, but it doesn't do enough to affect retention rates.

"The TIP Teaching Scholars Award Program is a relatively novel way to address the teacher recruitment challenges that many rural districts face. But recruitment is only one-half of the equation," Stoops said. "Rural school districts must also find ways to retain great teachers. The four-semester length of the program does little to aid retention."

Stoops sees a silver lining to the Teaching Scholars Award Program.

"I applaud the effort to place outstanding college graduates in high-need districts," Stoops said. "Initiatives designed to strengthen the teacher pipeline are needed now more than ever."

ENERGY & ENVIRONMENT

Apple clean energy project fined for environmental violations

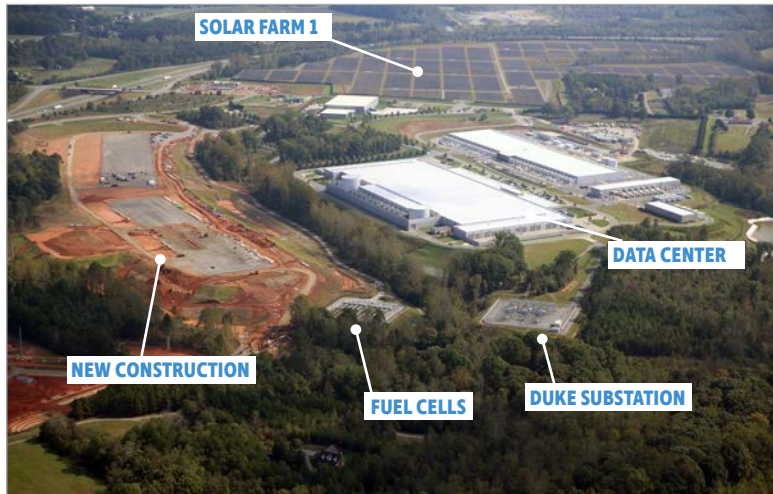
BY DON CARRINGTON

The N.C. Division of Environmental Quality has fined Apple Computer's data center in Maiden more than \$40,000 for violating the state's Solid Waste Management Act.

Correspondence between Apple and state inspectors indicates Apple believed it followed state laws and that Bloom Energy — the maker of the fuel cells that inspectors cited at the data center — was responsible for any waste-handling regulations. Bloom collects the hazardous material and transports it to a site in Texas for processing and disposal.

State inspectors disagreed and notified the company Oct. 2 of the violations and subsequent fines. Apple was fined \$40,589 and also must pay \$2,773 for investigative and inspection costs associated with the penalty. That's in addition to \$1,400 a year for two previous years, as well as each coming year because it generates 1,000 kilograms or more of hazardous waste.

Violations include a failure to conduct a proper waste determination for spent fuel filter materials, offering hazardous waste to trans-



APPLE DATA CENTER. Apple is adding two new buildings to its data center complex in Maiden. The company claims all its data centers run on 100 percent renewable energy.

porters or disposal facilities that haven't received an identification number from the U.S. Environmental Protection Agency, failure to prepare a hazardous waste manifest, failure to submit biennial reports to EPA and state regulators, and failure to maintain records on site.

Apple owns and operates 10 megawatts of fuel cells, which convert natural gas into electricity

through electrochemical reaction, instead of combustion. The cells contain desulfurization canisters that filter benzene and sulfur from the natural gas. The spent canisters are considered hazardous material and are subject to state laws.

The state inspected the Maiden site in February.

The initial visit was based on a tip from Lindsay Leveen. A longtime critic of Bloom Energy,

Leveen, a chemical engineer and journalist, wrote a textbook about fuel cells in 2003. Leveen told *Carolina Journal* he also provided information to EPA officials.

CJ contacted Apple's media relations department multiple times for comment. At press time, it had not responded.

In December 2015, *CJ* reported that Apple's renewable energy claims were misleading. In Apple's 2017 Environmental Responsibility Report, the company claims the Maiden center and all other Apple data centers operate on 100 percent renewable energy.

More specifically, Apple claims that since opening in June 2010 the Bloom fuel cells adjacent to the Maiden data center have provided 28 percent of the facility's energy. Apple says solar projects on site and nearby have provided 36 percent, renewable energy certificates account for 36 percent of the power, and investments in other solar projects managed by Duke Energy account for 8 percent.

Those claims are false. The data center gets its power directly from Duke Energy, and, like most data centers, backup diesel generators are on site for emergency use. The

Bloom fuel cells and the solar projects aren't hooked up to the data center. Electricity generated by Apple's fuel cells and solar arrays, when it is available, is sold to Duke.

Apple bases its claims on the concept that it "offsets" power purchased from Duke by generating power from renewable sources. No public records support the details of Apple's offset concept, and Apple has refused to make any available.

The natural gas used in Bloom fuel cells is provided by Piedmont Natural Gas, which Duke Energy bought in 2016.

Apple offsets the natural gas use with landfill gas it buys and then adds to the gas pipeline at sites that may be hundreds of miles away. Apple considers this arrangement a renewable energy activity.

The EPA authorizes North Carolina to operate the state hazardous waste program in accordance with federal rules. Lisa Jackson serves as Apple's vice president of environment, policy, and social initiatives and reports directly to CEO Tim Cook. Appointed by President Obama, Jackson served as EPA administrator from 2009 to 2013.

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FEDERAL LEGISLATION

Tillis-sponsored bill would ease barriers to marijuana research

BY KARI TRAVIS

RALEIGH — Medical researchers should be allowed to dive “into the weeds,” a handful of U.S. senators who want to roll back regulations for marijuana studies say.

The Marijuana Effective Drug Study Act of 2017, sponsored by Sen. Orrin Hatch, R-Utah, would simplify rules for scientists who want to learn more about the plant’s pros and cons. North Carolina Sen. Thom Tillis is a bill sponsor.

The idea, as Hatch said in his press release introducing the bill, is to evaluate the “effectiveness, safety, dosing, administration, and quality of medical marijuana.” Fresh studies could determine if pot is a legitimate, less-addictive alternative to opioids in treating chronic pain, for instance.

Marijuana was criminalized 80 years ago by the Marijuana Tax Act of 1937. Today, cannabis research is tightly regulated by the National Institute on Drug Abuse.

NIDA contracts with the University of Mississippi to grow marijuana for federally sanctioned studies. That monopoly makes it nearly impossible for researchers to access the high-grade cannabis they need, said Justin Strekal, political director for the National Organization for the Reform of Marijuana Laws.

The MEDS Act would make marijuana more available to researchers and would require NIDA to develop and publish a manual for growing marijuana for research, Hatch said.

The bill also would require the U.S. attorney general to bump up the national quota for marijuana production “in a timely manner to meet the changing medical, scientific, and industrial needs for marijuana.”

“To be blunt, we need to remove the administrative barriers preventing legitimate research into medical marijuana,” Hatch said.

He isn’t the only one who thinks so.

In August, the National Football League wrote a letter to the NFL Players Association proposing a study on marijuana as a pain management tool for athletes. That’s a gigantic step for the league, which has killed many a player’s buzz with its anti-marijuana policies. Each year, league officials issue suspensions for several NFL players, including Steelers running back Le’Veon Bell, who missed four games at the start of the 2016 season. A teammate, wide receiver Martavis Bryant, missed the entire 2016 season after multiple offenses.

But medical marijuana has a place in society, many say.



A RESEARCHER STUDIES MARIJUANA FLOWER. A stated goal of the MEDS act is to remove the administrative barriers preventing legitimate research into medical marijuana.

Military veterans who suffer from post-traumatic stress disorder, for example, champion medical marijuana. But progress has been slow, Michael Krawitz, executive director of Veterans for Medical Cannabis Access, said in a recent article in *Reason* magazine.

Twenty-four of the 29 states that have legalized medical marijuana recognize the drug specifically for its ability to treat PTSD. Yet the federal government still classifies the plant as a Schedule I drug. The feds claim it has no medical properties, holds a high potential for abuse, and is too difficult to determine safe doses. Pot is in the same classification as heroin and Ecstasy.

The Veterans Administration technically allows veterans to get treatment through state marijuana programs, but VA doctors often misunderstand that policy. As a result, they sometimes insist patients abstain from marijuana treatment.

Roadblocks like this abound, and it’s going to take more than the MEDS Act to make truly necessary changes in the system, Strekal said.

The legislation doesn’t change marijuana’s Schedule I classification and only marginally increases opportunities for research, he said.

A NIDA manual on how to grow marijuana is largely unhelpful, he added.

“This is kind of silly. They’re telling researchers to grow their own pot. And if a researcher wants to do that, that’s great, but I’m not expecting a researcher to have a green thumb.”

Scientists should be free to buy marijuana from professional growers — not forced to grow it or to get lower-grade supplies such as those produced by the University of Mississippi, Strekal said.

Politicians say they need to see more research about the medical effects of marijuana, but that’s just a tactic to blow smoke, Strekal said.

“Lawmakers, Hatch included, continue to say, ‘We need more data. We can’t make a decision until we have more data.’”

Thousands of studies about marijuana are available via the U.S. National Library of Medicine, he said.

The stats are clear on the many benefits of marijuana to treat epilepsy, pain, PTSD, and more. On top of that, no one dies from taking marijuana, he said.

The MEDS Act is one of several marijuana-related bills filed in Congress this year. In February, Rep. Thomas Garrett, R-Virginia, introduced the Ending Federal Prohibition Act of 2017, a bill that would legalize marijuana completely. That bill was passed around a handful of committees but saw no action.

Medical marijuana in North Carolina

Marijuana isn’t legal in North Carolina, though CBD oil, a non-psychoactive part of the plant, is allowed to treat specific types of epilepsy in children.

Gov. Roy Cooper, who serves on President Trump’s Commission on Combating Drug Addiction and Opioid Crisis, says he wants to learn more about the impact of marijuana in other states before moving to legalize it in North Carolina.

State lawmakers on both sides of the political aisle should “just say yes” to medical marijuana, said Rep. Pricey Harrison, D-Guilford. In February, Harrison helped introduce House Bill 185, Legalize Medical Marijuana.

The bill, like many of its predecessors, failed to make it out of committee.

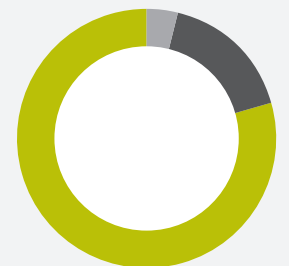
“The majority of the country has legalized this, and it should be here,” she told *Carolina Journal*.

Eighty percent of North Carolinians agree, a poll from Elon University shows.

North Carolina veterans are especially supportive of legalizing

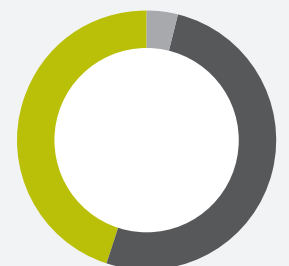
Do you support legalizing marijuana for:

MEDICAL USE?



● SUPPORT 80%
● OPPOSE 17%
● DON'TKNOW/OTHER 3%

RECREATIONAL USE?



● SUPPORT 45%
● OPPOSE 51%
● DON'TKNOW/OTHER 4%

SOURCE: Elon University Poll of NC voters

cannabis, Harrison said, stating that most have found it to be more effective, and less addictive, than opioids.

In states with “robust medical marijuana programs” governments have seen a 36 percent decline in opioid abuse and a 25 percent decline in opioid-related deaths, shows a study published by the *Journal of the American Medical Association*.

“One of the benefits of responsible research is discovering whether or not medical marijuana or derivatives could be a viable alternative to other pain management treatments like opioids,” said Daniel Keylin, a spokesman for Tillis.

There are detractors, of course, and some health professionals remain dubious about the benefits of legalizing what is now an illegal drug in North Carolina.

Marijuana is an addictive substance, just like any other drug, and should be treated with skepticism, said Margaret Rukstalis, a professor of psychiatry and behavioral medicine at the Wake Forest School of Medicine.

“It’s just statistics. The more people become exposed, the more people are going to like it or become dependent,” she said. “Whether it’s medical marijuana or not, I think the literature for the benefit is not compelling and worth the risk, personally.”

ENTREPRENEURSHIP

Children's Business Fair lets young entrepreneurs shine

BY KARI TRAVIS

RALEIGH — North Carolina is teeming with new business owners, some of whom are not yet old enough for middle school.

But age is no concern for entrepreneurs like Leala, Eliana, and Titus Breed, who, at 7, 9, and 10, respectively, launched Grow Green Essentials, a line of organic cleaning products.

"Our parents sell products for an essential oil company, and we wanted to be like them," Leala said.

The children make hand soap, room sprays, and anti-bacterial hand sprays — all made with organic ingredients, including essential oils, vodka, and water.

"I don't drink the vodka," Leala giggled.

The siblings are just three of 68 children who took part Oct. 7 in the Raleigh Acton Children's Business Fair.

The fair, sponsored by the John William Pope Foundation, is part of a national franchise led by the Acton Academy and The Acton School of Business. It's the second held in Raleigh. Last year, more than 60 kids set up shop in The Commons at Raleigh's North Hills Mall, the site of this year's event.

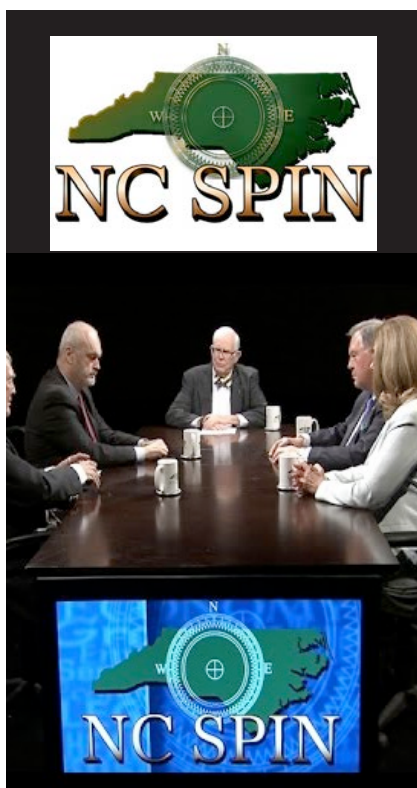


YOUNG ARTIST. Fourteen-year-old artist Camryn Green, shown here with her young intern, donates a portion of every sale to a scholarship fund for Liberian orphans.



BUBBLE GUM LIP SCRUB. Candy takes on many forms across the Raleigh Acton Children's Business Fair Oct. 7.

continued NEXT PAGE



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- Wilmington, **WAAV-AM** 980, Sunday 5:30 pm

ENTREPRENEURSHIP

continued from PAGE 6

Young entrepreneurs between 6 and 14 came from Charlotte, Wilmington, and everywhere in between. Sixty-eight participants opened 45 businesses, with products from jewelry, to art, to pumpkin-flavored dog biscuits.

Other exhibitors proudly displayed crocheted scarves, paper airplanes, books, and dog toys. The children's efforts in production and marketing impressed the Pope Foundation's Blake Brewer, who organized the event.

Participants include students from traditional public schools, public charter schools, and home-schools.

In addition to allowing children to show off ideas and sell goods to customers, the fair hosts a competition — divided into two age categories — in which judges award prizes for best business potential, best customer service, and best business idea. Winners get \$50.

Chick-fil-A partners with the Pope Foundation, offering a special grand prize for entrepreneurs who win the "shopper's choice" award.

"The purpose of the fair is to instill in these kids entrepreneurship and the idea of free markets and free enterprise. We want to make sure they value that in their lives

— and into the next generation," Brewer said.

The Pope Foundation is looking for a grantee for the Raleigh fair next year, Brewer said. One other Acton fair is held in the greater Triangle area, but Raleigh's fair offers a great chance for kids to stretch their business skills.

For many child entrepreneurs, business is more than just about making money. A few dog biscuit purveyors donate proceeds to animal rescues. A young artist puts a large portion of her profits toward scholarships for Liberian orphans.

"I'm just totally beaming. They're amazing," said Kari Breed, mother and a co-founder of Oak City Academy.

The Breed children hatched the idea for Grow Green Essentials after losing a young classmate to cancer. The experience was a difficult one, said Leala. That's why the business is about "healthy products for healthy kids."

They donate 10 percent of their proceeds to their school, Oak City Academy. The money goes toward scholarships for low-income students.

"Our product is very important, because regular hand soaps have cancer in them," Titus said. "And for me, personally, I want something that doesn't [cause] cancer."



FOLLOWING IN THEIR PARENTS' FOOTSTEPS. Shown left to right: Titus, Leala, and Eliana Breed, founders of Grow Green Essentials, display their organic hand soap, room sprays, and hand sanitizing products.

CJ PHOTO BY KARI TRAVIS

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ENERGY & ENVIRONMENT

The increasing politicization of green energy

BY DAN WAY

Dee Stewart was in Raleigh this spring to disclose poll results lauding renewable energy. It seemed a bit odd that a seasoned Republican campaign strategist would praise an industry laden with special-interest subsidies.

But the Conservatives for Clean Energy event was just another sign of the increasing politicization of green energy.

"If I look at this in the context of running a race, I would look at it and say, 'Gosh, this is a winner,'" Stewart said. "At the end of the day, our state and our people are about job creations. They've seen the positive economic impact of renewables."

North Carolina businessman Jay Faison founded Clear Path Action, with offices in Charlotte and Washington, D.C., to sway conservatives to champion renewable energy as a core principle. Clear Path spent \$3 million on 15 GOP congressional candidates in the 2016 election cycle.

American Wind Action has made homegrown jobs the theme of television commercials airing nationally. The issue advocacy organization has plainly stated its purpose: to endorse political candidates who are strong proponents of wind energy and work to defeat their opponents. The North Carolina Sierra Club has produced YouTube videos, as well.

Even the Christian Coalition, no stranger to politics, is in on the action. It views renewable energy as an obligation to be good stewards of the planet. This month it held its third annual Conservative Clean Energy Summit with Young Conservatives for Energy Reform in Washington, D.C. The group urged immediate action to protect national, economic, and family security, with homegrown renewable jobs.

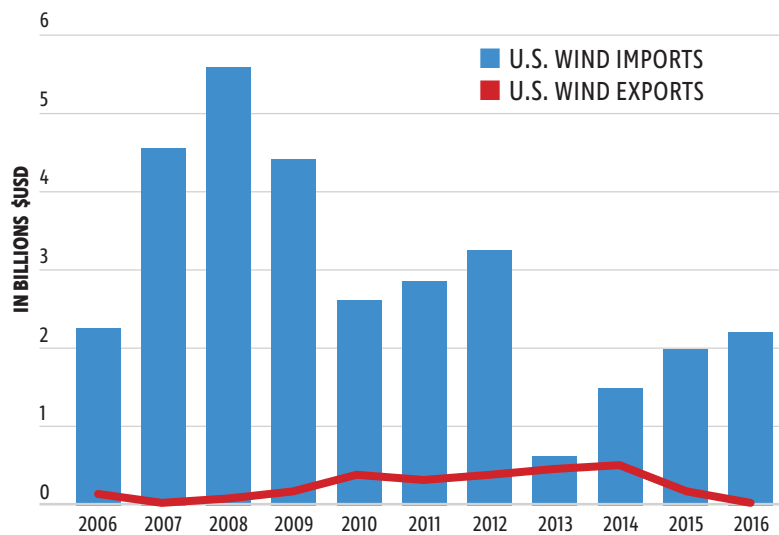
Robert Bryce, a senior fellow at the Manhattan Institute whose books and articles on the energy sector have been widely quoted for two decades, is dismissive of the renewable energy job numbers.

"Job creation is the last refuge of the subsidy seekers," he said. "There are tens of millions of dollars at stake in government subsidies."

The "fat subsidies" Bryce scorns include the federal renewable production tax credit. It's \$24 per megawatt hour for many wind and solar projects, and it can be claimed over 10 years. The subsidy is set to expire in 2020. But a Congress with a Democratic majority could repeal that sunset.

The total wind tax giveaway to

Total U.S. Wind Imports Compared to Total U.S. Wind Exports



NOTE: Imports include wind generators, wind blades/hubs, towers, generating sets, and other wind related equipment. Exports include wind powered generating sets, towers and lattice masts.

SOURCE: U.S. Dept. of Energy, Berkeley Lab analysis of data from USITC DataWeb



WIND TURBINES. Part of the array of turbines at the Amazon Wind Farm.

date tops \$176 billion. The subsidy itself costs twice the market price of natural gas, a wind energy competitor, Bryce said.

"It's collapsing the wholesale market for electricity. It's distorting the market," he said.

Bryce took aim at the Amazon Wind Farm, with 104 turbines spanning Pasquotank and Perquimans counties, and Avangrid Renewables (formerly Iberdrola), its Spanish developer, as an example of what's wrong with the subsidy cronyism.

"Iberdrola gets the tax credits, which is what they're all about because they can sell the tax credits for cash. Then they're using turbines that aren't made here, and they're creating effectively no jobs," Bryce said.

"Amazon gets to claim, wrong-

ly, that their data centers are using clean or green electricity" from the wind farm, Bryce said.

Bryce agreed with *Carolina Journal* reports that found the electricity generated in North Carolina has no physical connection to Amazon's data centers in northern Virginia.

In its "2016 Wind Technologies Market Report," the U.S. Department of Energy's Office of Energy Efficiency and Renewable Energy said full-time wind-sector jobs hit a record high 101,000 in 2016.

Yet the 2016 Department of Energy report shows fewer than five turbine manufacturing facilities in the U.S. last year, fewer than 10 plants making blades, and just 10 tower makers.

Vestas, a Danish-based company, made 43 percent of all U.S.

wind turbine installation capacity in 2016. GE Wind, a U.S. firm, accounted for 42 percent of the U.S. turbine market. Most of the remaining 15 percent of turbines were made overseas.

Beth Gargan, assistant secretary at the state Department of Commerce, said North Carolina has 68 firms that make turbines and semiconductors, under which wind equipment and solar panels would be categorized, respectively. But the data isn't recorded in a way to determine how many of those are engaged in the renewable market or completely unrelated industries.

The U.S. has more than 150 manufacturing facilities geared to the utility-scale wind market, but many of those are assembly plants or make small component parts, according to the DOE report. There have been multiple closures the past several years, with a "relatively slow pace of new facility additions."

Ryan Wiser, senior scientist at DOE's Lawrence Berkeley National Laboratory and a primary author of the 2016 wind energy report, told *CJ* towers (65-80 percent), blades, and hubs (50-70 percent) for wind turbines are mostly built in the U.S. because they are large, and shipping is too expensive. Equipment assembly (90 percent) is mostly a U.S. process.

But imprecise trade data make it next to impossible to determine the physical or financial value of imported structural steel or equipment such as gearboxes, generators, main shafts, bearings, brakes, bolts, controls, and electrical components.

A comprehensive survey of each manufacturer is the only way to do that, and companies are often reticent to share for obvious commercial reasons, Wiser said. Such a study was done six years ago. Researchers determined well below 20 percent of the equipment was made on U.S. soil.

While the wind energy sector is growing, Wiser and his co-authors of the 2016 report concluded that was due in large part to the renewable production tax credit and state-driven incentives such as Renewable Energy Portfolio Standards created by North Carolina and 28 other states. The REPS require public utilities to buy higher-cost renewable energy at a set percentage of its fuel source.

Technology improvements driving down wind energy costs also plays a role in the growth.

But the report says analysts forecast a downturn in the U.S. wind energy market from 2021-25 after the production tax credit is eliminated.

Solar market crashes despite subsidies

BY DAN WAY

The U.S. market already has crashed for makers of solar photovoltaic panels, with more than 30 companies going out of business since 2012.

It's so bad that Suniva and SolarWorld Americas successfully petitioned the U.S. International Trade Commission for tariffs and price controls on imports. The ITC must make its formal recommendation to the White House within the next month.

Ironically, given that the U.S. solar industry has been heavily subsidized, the petitioning firms claimed they couldn't compete with China's even steeper subsidies, which have allowed Chinese solar modules to flood the U.S. market, creating a glut.

"The data does suggest that a very high fraction of PV modules used in the U.S. in 2016 were imported, and I think this has been the case for a few years now," said Chris Namovicz, team leader for renewable electricity analysis at the U.S. Energy Information Administration.

In a report on the industry status issued in July, the Energy Information Administration listed 53 U.S. companies with 6,021 full-time equivalent employees in the PV industry for 2016. Only 22 of those companies are manufacturers, said Lolita Jamison, a renewable energy expert at the agency.

Although solar manufacturers are required by law to file a shipment report, Jamison said confidentiality rules prevented her from releasing specific numbers of solar modules produced by U.S. firms, or even giving a general characterization of U.S. output compared to that of foreign firms.

But the 2016 report does track how many "peak kilowatts" were shipped, which offers a strong snapshot of foreign versus domestic production. "Peak kilowatts" is a manufacturer's unit of measurement indicating the amount of power a photovoltaic cell or module will produce at standard test conditions, Jamison said.

The U.S. had 1.4 million peak kilowatts of inventory to start 2016, another 1.1 million were manufactured by U.S. firms during the year, and 12.7 million were imported from foreign sources.

HIGHER EDUCATION

Transparent, affordable schools win, professor says

BY KARI TRAVIS

RALEIGH — The political interests of colleges and universities are adding to a growing list of problems for the schools over the past decade, and the free market will punish them accordingly, experts say.

University cartels grasp for revenue and squelch accountability. The federal government is partly at fault for failing to publish data to help students make informed choices. But university lobbying organizations — using heavy-handed tactics to sway lawmakers — are more to blame, said Richard Vedder, an economist and professor at Ohio University.

High-level discussions of higher education took off in 2005, when U.S. Secretary of Education Margaret Spellings — now president of the University of North Carolina system — assigned 19 experts, including Vedder, to study access, affordability, accountability, quality, and innovation. The group was dubbed the “Spellings Commission.”

The commission released a 2006 report, “A Test of Leadership: Charting the Future of U.S. Higher Education.”

In September, Spellings hosted a conference at UNC-Chapel Hill to look back at the results. Small steps were taken since the days of the Spellings Commission, but not much has changed, she said.

“We really haven’t made as much progress as I think many of us would have hoped,” she said Sept. 27.

The former top federal education official is just being modest, Charles Miller, former chairman of the Spellings Commission, told *Carolina Journal*.

No one was talking about university problems in the early 2000s. During the George W. Bush era, the focus was on K-12, not higher education. Conversation about real issues was a big deal, Miller said. That effort alone made the commission a success.

The group made a few modest reforms, but results were disappointing, Vedder said.

“When I told my wife I was going to be on the commission, she said, ‘You’re wasting your time. It’s much ado about nothing.’ And she was more right than wrong.”

Vedder said the commission didn’t take a decisive stance on many issues. Nothing was done about financial aid, he said. There was discussion about accreditation but no real reform.

“The federal government has totally screwed up higher education, and we didn’t even address that,” Vedder said.

Access to universities isn’t as big a problem as the commission thought, Vedder said. Some students aren’t equipped for college,

and the market is overwhelmed by jobless undergraduates. The real question is how to provide technical work force training.

The commission’s attempts to increase accountability failed.

“We just didn’t have much impact because the higher education establishment is entrenched. It was relatively hostile to the commission’s recommendations, and [universities] did everything they could to make sure those recommendations didn’t happen,” Vedder said.

Change will take years, Miller said. A former chair of the University of Texas System’s Board of Regents, Miller got plenty of pushback from university administrators and lobbyists.

Several organizations, including the National Association of Independent Colleges and Universities and the American Council on Education, have done all they can to block transparency, Miller said.

Still, the commission raised awareness of the problems. That’s the first step in a fight for change, he said. “The idea that nothing’s happened to improve higher education is way out of line, because one of the things we did in the meeting was to point out the problems.”

He added: “I know it was effective because of the heat I took from colleges and universities.”

Resolving major policy issues requires more than brainstorming and offering ideas, Miller said.

“It takes a generation to accomplish things of the magnitude that we need in higher education.”

American universities are entering a new era, Miller added. Accreditation is under continuous

We just didn't have much impact because the higher education establishment is entrenched.

- Richard Vedder



RICHARD VEDDER: University lobbying organizations are more to blame for the problems at colleges and universities.

analysis. College funding is scrutinized.

The federal government should collect data on students, beginning with enrollment in K-12 schools and ending with entrance into the work force, Miller told *CJ*.

“That sounds like an invasion of privacy. But one of the [federal government’s] roles is to collect data and present it to the public. We do it all the time, on everything.” People need to see what’s happening in the system. The Spellings Commission pushed for more federal data collection, but private colleges and universities called the

plan an invasion of privacy.

Universities don’t want people to see what’s going on inside the system, Miller said. It’s a system where you “get all you can and spend all you get.”

In the long run, only transparent, affordable colleges will win, Vedder said.

“This idea of raising sticker prices is coming to an end, I think. The market won’t bear it. People are saying, ‘Don’t do it.’”

“When that starts happening, schools are forced to become — against their will — more innovative, nimble, and willing to change.”



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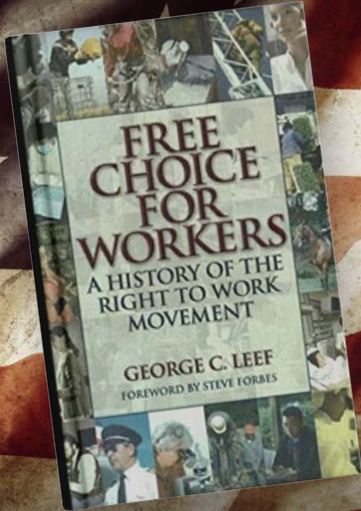

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EDUCATION DEBATES



CI PHOTO BY LINDSAY MARCHELLO

SCHOOL CHOICE ACCOUNTABILITY. (From left to right) Reps. Graig Meyer, D-Orange, and Jeff Elmore, R-Wilkes, debate school choice accountability with Loretta Boniti of Spectrum News (at lectern) at an Oct. 16 Hometown Debate in Burlington sponsored by the N.C. Institute of Political Leadership.

More questions than ever

Lawmakers and policy experts debate ongoing education issues for North Carolina



COMPARING NOTES. State Sens. Rick Horner, R-Wilson, and Erica Smith-Ingram, D-Northampton, compare notes after the conclusion of a debate over school construction funding issues at a debate in Rocky Mount on Oct. 10.

SOLVING THE RURAL-URBAN DIVIDE

OCTOBER 10

BOOKER T. WASHINGTON THEATRE,
ROCKY MOUNT

PANELISTS

- » STATE SEN. RICK HORNER, R-WILSON
- » STATE SEN. ERICA SMITH-INGRAM, D-NORTHAMPTON
- » TERRY STOOPS, VICE PRESIDENT FOR RESEARCH, JOHN LOCKE FOUNDATION
- » MATTHEW ELLINWOOD, DIRECTOR OF EDUCATION AND LAW PROJECT, NORTH CAROLINA JUSTICE CENTER

A skirmish over dividing tax dollars among urban and rural districts continues to dominate discussion, although the panelists agreed state lottery money dedicated to education

should return to 40 percent, the standard before the Great Recession in 2006.

Education funding is now about 21 percent of lottery proceeds. Stoops said lottery funds are unreliable year to year, and the state should develop a more stable funding source.

Rural schools are losing population, and many have surplus classroom space to accommodate a state push for smaller classroom sizes. But they face difficulty attracting teachers. Urban school districts face the opposite: rapid enrollment growth and an abundance of teachers but too few classrooms and school buildings.

Smith-Ingram said without modern facilities and sufficient lab space students aren't reaching their respective potentials. High-needs rural schools have trouble providing those because, as enrollment declines, so do state operating funds calculated on daily student attendance.

In five of the past six years voters in Wake, Durham, and Mecklenburg counties passed school construction bonds, she said. Forsyth passed bonds in four of those years.

But bonds were rejected in Weldon City Schools, and Halifax and Northampton counties, she said, because they don't have the tax base to support repayment.

Ellinwood and Smith-Ingram support the call by the N.C. Association of County Commissioners to place a statewide \$2 billion school construction bond on the ballot. Legislation to do that died in the House this year.

Stoops said public school construction should have been included in the \$2 billion Connect NC bond passed in 2016 instead of allocating so much money to university construction.

The traditional onus should be kept on county commissioners to

continued NEXT PAGE

EDUCATION DEBATES

continued from PAGE 10

fund local schools because they are closest to the situation, and they know what's best for their parents and students, Stoops said. Too often county boards have shown an "inability to necessarily prioritize" their bond needs, spending instead on sports stadiums, convention centers, and other glitzy economic development projects that never meet developers' promises of self-funding and job creation.

Horner said the state took steps this legislative session to help local districts shore up construction funding by approving the Needs-Based Public School Capital Fund. It appropriates \$105 million over the next two years for the most distressed counties. That's on top of \$100 million in state appropriations already going to the districts.

OVERSEEING TAX-FUNDED CHARTER SCHOOLS AND PRIVATE SCHOOLS

OCTOBER 16

PARAMOUNT THEATRE, BURLINGTON

PANELISTS

- » STATE REP. JEFFREY ELMORE, R-WILKES
- » STATE REP. GRAIG MEYER, D-ORANGE
- » MATT ELLINWOOD, DIRECTOR OF EDUCATION AND LAW PROJECT, NORTH CAROLINA JUSTICE CENTER
- » TERRY STOOPS, VICE PRESIDENT FOR RESEARCH, JOHN LOCKE FOUNDATION

When it comes to holding charter schools accountable, North Carolina is the Wild, Wild West, Meyer said.

That's just fine with Stoops.

"You talk to any principal or superintendent in the state, and they will tell you they want charter-like flexibility. They want to be like charter schools and have the flexibility our charter schools have," Stoops said. "If that is the Wild, Wild West, then every principal and superintendent in the state wants to visit."

When the state provides taxpayer dollars to any program, it should be in charge of accountability, Meyer said.

"We don't have any way of assessing student performance in voucher-funded schools right now. We can't even do an apples-to-apples comparison on the very limited basis of the state testing that we use," Meyer said. "So we don't know whether that's

a good investment for our kids or for our public."

Ellinwood echoed Meyer's call for clearer minimal standards for charter schools.

"Right now we have a kind of ostrich-in-the-sand method of accountability for the voucher program," Ellinwood said.

Elmore said the testing apparatus is the same for traditional and charter schools, but private schools are required only to administer national standardized tests.

"So in a way really what privates are allowed to do, it gives us a better nationwide comparison as a policymaker looking at the bigger numbers," Elmore said.

Parents — not the state — keep schools accountable, said Stoops, who countered Meyer's suggestion for more state oversight of charters.

"It is important on whether the parents know how that student is doing. They are the primary vehicle for accountability in any choice system."

Publicly available test scores are irrelevant, Stoops said, as long as parents have student performance scores, which allow them to determine whether their child is receiving a sound education.

"We shouldn't just narrow it down to test scores," Stoops argued. "Parents pursue options for lots of different reasons. Academics being one, but if the child is being bullied, then they would want to move schools or they are in an unsafe environment in their school."

SHOULD PERFORMANCE PLAY MORE OF A ROLE IN TEACHER COMPENSATION?

OCTOBER 24

OLD POST OFFICE PLAYHOUSE, NEWTON

PANELISTS:

- » MARK JEWELL, PRESIDENT, NORTH CAROLINA ASSOCIATION OF EDUCATORS
- » STATE REP. CRAIG HORN, R-UNION
- » TERRY STOOPS, VICE PRESIDENT FOR RESEARCH, JOHN LOCKE FOUNDATION
- » KRIS NORDSTROM, EDUCATION POLICY CONSULTANT, NORTH CAROLINA JUSTICE CENTER

Legislators and policy experts agree North Carolina teachers need bigger paychecks, but they disagree on how to dole out the money.

Pay raises should be awarded



You talk to any principal or superintendent in the state and they will tell you they want charter-like flexibility. They want to be like charter schools and have the flexibility our charter schools have.

- Terry Stoops

based on how a teacher performs in the classroom, Horn said. The lawmaker, who chairs the House education committee, is an outspoken advocate for pay and education funding reforms.

Merit pay is a bad idea, said Jewell. Lawmakers should first address a "broken pay system."

"The teacher salary schedule is a mess right now," Jewell said.

In 2016, lawmakers adjusted average annual teacher pay to almost \$55,000. The change was a nearly 3 percent increase overall.

But that doesn't help young teachers who can't afford to live on \$35,000 for the first five years of their careers, Jewell said.

North Carolina has plenty of money to spend on across-the-board raises for all teachers, Nordstrom said. Blanket raises are a better move, as performance pay will only drag down camaraderie and goodwill among teachers.

If the General Assembly wants to pay incentives for teachers, they should be team-based so teachers work together, he said.

A blanket raise is a temporary solution to a bigger problem, Stoops said.

Spending more money will do nothing actually to keep teachers in the state.

"I feel like we're going to be constantly chasing our tail here ... because people will never be satisfied with where the base [salary] is."

North Carolina has a shortage of math, science, and special-education teachers. That gap requires incentives to entice new talent.

Everyone can agree teachers deserve to be paid more, but not all teachers are good. Each one should be awarded accordingly, Horn said.

Yet changing teacher pay is a long hike uphill.

"It's like climbing a glacier with ice skates on your feet. I think we are moving in the right direction. We're not going to get there overnight, and it's a challenge," Horn said.



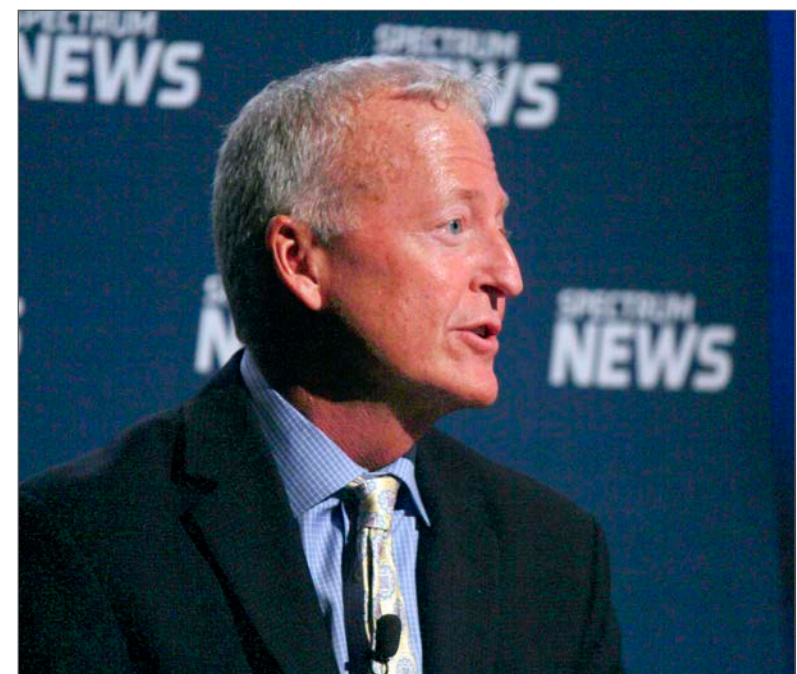
Rep. Craig Horn, R-Union, talks performance-based teacher pay Oct. 24 at the Old Post Office Playhouse in Newton.

CI PHOTO BY KARI TRAVIS



Teacher salaries should be competitive and market-driven, said Terry Stoops, vice president for research at the John Locke Foundation.

CI PHOTO BY KARI TRAVIS



Mark Jewell, president of the North Carolina Association of Educators, criticizes reform of the teacher pay scale at an Oct. 24 policy debate in Newton.

CI PHOTO BY KARI TRAVIS

ECONOMY

A dying industry?

continued from PAGE 1

investigation. But like any industry, funeral homes and cemeteries are regulated by federal, state, and local law. In North Carolina, working with the death-care industry often means becoming licensed or obtaining a permit to open a funeral home.

Even the Federal Trade Commission has a hand in the funeral service industry. The Funeral Rule, originally enacted in 1984 and amended in 1994, requires funeral homes to provide a general price list and outline what purchases are required by law to their customers.

Most Americans are probably unaware of how much work it takes to open a funeral home or become a funeral service licensee. Years of education and resident training cost thousands of dollars and lead to an average annual salary of about \$50,000, according to the Bureau of Labor Statistics. With a rising cremation rate across the country and a high barrier to enter the industry, the financial viability of funeral homes is at risk.

Tanya Marsh, a law professor at Wake Forest University, specializes in funeral and cemetery law. She issues a warning to the government.

“People are changing their preferences in respect to how they want to memorialize and dispose of the dead at an incredibly rapid rate,” Marsh said. “The funeral industry is a service industry, and they want to give people what they want, but they also have very strongly ingrained ideas about what the right thing to do is. So there can be a conflict between changing social norms of what people want and what the industry is willing and able to give them.”

Cremations cost significantly less than traditional funerals because they don't require embalming the deceased or purchasing a casket. The average cremation service costs \$1,000 to \$2,500.

Marsh says people are choosing to hold memorial services at universities, museums, parks, churches, and even at home instead of at a funeral home.

While people may be spending less at the funeral home, Marsh says the cost of entering the funeral service industry hasn't changed in decades.

“Even if the number of cases [funeral homes] have doesn't change, the amount that people are spending on [funerals] has diminished greatly in four or five out of 10 cases. That's the single big-



THE COST OF FUNERAL SERVICES IS RISING FAST. The U.S. funeral service industry is an estimated \$20.7 billion per year business, and the average traditional funeral costs anywhere between \$8,000 to \$10,000. A large portion of the cost goes toward the purchase of a casket.

gest problem I think that the funeral service industry has, and North Carolina is not immune from it.”

Every position in a funeral home, from an embalmer to a funeral home director, requires a license. The N.C. Board of Funeral Services mandates through Chapter 90 of the General Statutes a minimum of two years enrolled in a mortuary science college, a passing score on all required national and state exams, electronic fingerprint submission, and a 12-month resident traineeship in a related field.

Funeral service industry licensees also must provide evidence of good moral standing through the testimony of at least three people. Licensees also are required to complete five hours of continuing education as a prerequisite for renewing their license every year.

Most Americans are probably unaware of how much work it takes to open a funeral home.

In March, North Carolina legislators tried to amend the state funeral laws with House Bill 529, but it has stalled in the House Committee on Regulatory Reform. Rep. James Boles, R-Moore, and Rep. Kelly Alexander, D-Mecklenburg, both involved in the funeral service industry, are primary sponsors of the bill. Neither immediately responded to requests for comment on this story.

H.B. 529 clarifies some licensing requirements for funeral service licensees. It also includes regulations for crematory operators and alkaline hydrolysis burials. Alkaline hydrolysis is a relatively new method of disposing bodies through a superheated chemical mixture in a pressurized vessel. It is thought to be a greener alternative to both cremations and traditional burials. H.B. 529 would require a license to operate an al-

kaline hydrolysis machine with the same requirements and fees as licensing of crematories.

Simply opening a funeral home requires compliance with yet another set of regulations, including adhering to specific building standards and environmental rules, as well as obtaining an establishment permit before business can begin. Obtaining a permit costs \$400. It costs \$250 more to renew annually. Even the sewage system attached to an establishment is regulated to some degree. Failure to comply can result in penalties and fees.

“It is a capital-intensive business to start a funeral home and the licensing; It's not restrictive, but it's rigorous to get,” said Bill Forsberg, executive director of the N.C. Funeral Directors Association.

Marsh argues the requirements to enter into the funeral service industry haven't caught up to modern trends, particularly regarding educational requirements.

“About half of the curriculum in a funeral service school is embalming and related to embalming and preservation of human remains,”

Marsh explained. “So as the cremation rate goes up, the embalming rates are going down. So fewer and fewer people need that sort of technology, but embalming is the centerpiece of the entire occupational licensing structure for the funeral services industry.”

Embalming isn't even mandatory in every burial. No laws or regulations in North Carolina require embalming, but some funeral homes may have policies requiring the practice for public viewings or delayed interments.

The industry isn't particularly nimble. Marsh says packing up and moving to where demand is higher isn't really an option, especially when so much investment goes into opening a funeral home.

“The funeral services industry is an inherently difficult industry because there is nothing we can do legally to impact demand,” Marsh said.

Marsh suggests deregulating the industry and starting with a blank slate. Legislators and board

continued NEXT PAGE

ECONOMY

continued from PREVIOUS PAGE

members need to ask themselves what they want to accomplish and what's the government's interest in having any regulations in the first place.

"We know now that dead bodies aren't really a source of disease. I mean, don't throw them in the drinking water. Sick, living people are more likely to get other people sick than dead people are," Marsh argued. "There are a lot of public health rules that don't make a lot of sense given what we know now about how science works. There [are] probably some public health things that we want to be concerned about, but we want to narrowly tailor those."

Consumer protection is another possible area for concern, but, Marsh says, most of the regulatory apparatus of the funeral service industry wouldn't be needed if lawmakers just started over.

"So what that would mean is a lot more competition and a lot more people getting involved and offering a broader range of products and services," Marsh said. "But for the people who are already in that industry, who have already made all that investment, that would be very bad for them."

Jon Sanders, director of regulatory studies at the John Locke

Unnecessary and Burdensome Regulations

Regulations for the funeral service industry sometimes make little sense. Wake Forest professor Tanya Marsh says public health concerns have not caught up with the scientific understanding that dead bodies aren't a major source of disease. Other regulations are clearly inspired by anti-competitive sentiments. Marsh provided a few examples of funeral service regulations across the country that are unnecessary and burdensome.



New Jersey Revised Statute §45:7-65.1 In the interests of safeguarding public health, no person who operates, maintains, or uses a mortuary within this State shall serve, or permit or suffer to be served on or about the mortuary premises, any food or refreshments in conjunction with any funeral or in conjunction with any service offered or provided for the preparation and disposal of dead human bodies.



Nebraska Revised Statute § 71-605(8) The interment, disinterment, or reinterment of a dead human body shall be performed under the direct supervision of a licensed funeral director and embalmer.



N.Y. Comp. Codes R. & Regs. tit. 19, § 201.6 In New York, a cemetery may not sell burial vaults.



Texas Penal Code Ann. § 42.08 Under Texas law, it's illegal to transport cremated remains outside the state.

Foundation, said deregulating an industry opens the door for competitors to lower prices and makes it easier for entrepreneurs to innovate. It might feel strange to view the funeral service industry as a business in which prices and costs matter, but the rule of economics

applies to everything, funerals included.

"Deregulating allows for more competitive pricing for consumers," Sanders explained. "The main challenges [to deregulating] is that the people who would benefit the most from it are not organized po-

\$400/yr

Average annual cost of maintaining a permit to do business as a funeral service in North Carolina.

litically. It's a public choice problem."

Marsh estimates the U.S. has some 24,000 funeral service businesses, excluding cemeteries. The funeral service industry is well-organized and has a strong sense of identity, which can conflict with entrepreneurs and small businesses who dare challenge the industry standard model.

State boards and funeral service licensees have taken issue with issues such as selling unlicensed headstones in New Jersey to selling environmentally friendly caskets in Alabama. Changing state board regulations often requires going through the courts.

The Institute for Justice, a non-profit national law firm, has litigated dozens of cases regarding the funeral service industry. IJ has broken up casket cartels and helped entrepreneurs keep their businesses in the face of onerous regulations.

"It's unfortunate, but unsur-

prising, that the funeral industry's reaction to honest competition is to call for more regulation," IJ attorney Renée Flaherty said. "It is important that people have choices and that entrepreneurs are able to respond to the need to keep prices down. Unreasonable regulations benefit no one but the funeral industry's pocketbooks."

Forsberg says the industry is adapting to consumer demands in North Carolina by increasing available crematory services and employing more women as funeral directors.

"The funeral business is changing, and the consumers are changing it for us. They are driving the change just like in any other industry or profession. They want to see the value of the purchase," Forsberg said. "What we are creating is an experience for them rather than just selling them products."

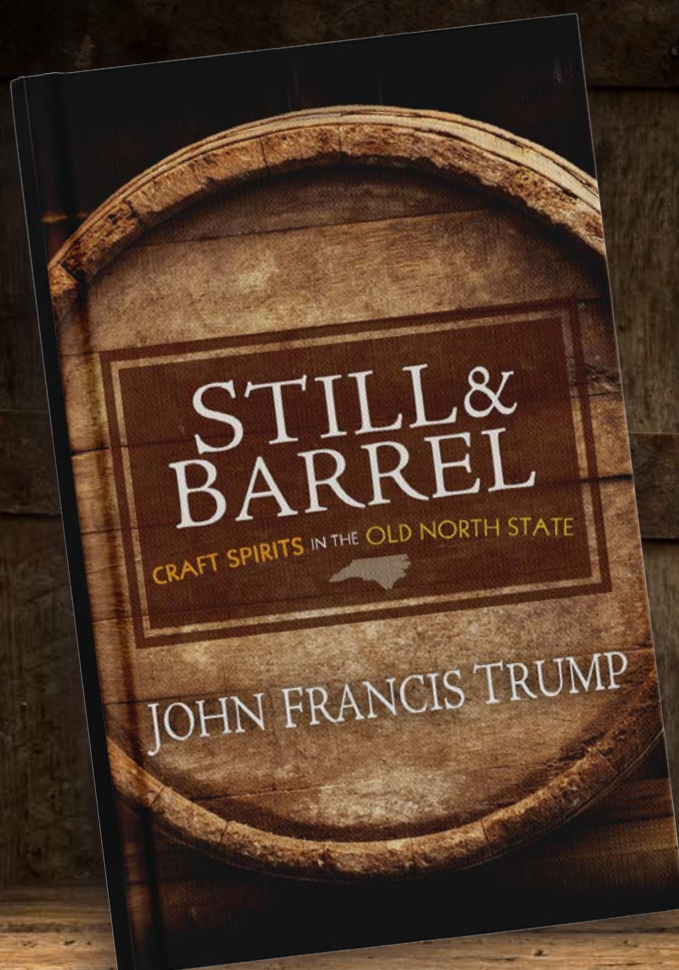
But government often gets in the way.

Says Marsh, "The system of laws that we have does not facilitate the industry providing consumers with the range of choice that they want at a price that they are willing to pay. The free-market economics of the industry have been disturbed by government regulation. Regulation is not protecting the free market. It is destroying the free market in funeral services."

BOOKS BY JLF STAFF



John Trump
Managing Editor,
Carolina Journal



Still & Barrel: Craft Spirits in the Old North State

"John Trump, a skilled journalist and storyteller, chronicles the North Carolina comeback of intoxicating spirit manufacture in a book that profiles pivotal characters, charts historical currents, and makes clear that the next step after farm-to-table dining is crop-to-fifth drinking."

- John T. Edge,
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JULIE TISDALE

CITY AND COUNTY POLICY ANALYST
JOHN LOCKE FOUNDATION

I've enjoyed following the HQ2 drama, and, make no mistake, drama it certainly has been. Amazon probably missed an opportunity by simply issuing a request for proposal rather than turning it into a reality TV series available exclusively on Prime. Tucson tried to give Jeff Bezos a cactus. Stonecrest, Georgia, offered to rename part of itself Amazon. Birmingham has set up stories-high Amazon boxes around town.

To recap — in case you've been living under a rock — Amazon announced in early September it would build a second headquarters. It expects the facility to cover up to 8 million square feet and employ up to 50,000 with an average salary of around \$100,000. For comparison, the Panthers' stadium is 1.6 million square feet, total employment in the entire state of North Carolina is a little more than 4.2 million, and the average salary

in the state is \$45,280. If we look at just IT jobs, \$100,000 is about what people in North Carolina earn now.

Given all that, it's not surprising North Carolina cities have been interested. It is indeed a lot of jobs, and highly paid ones. Just like scores of other cities across the U.S. and Canada, North Carolina municipalities have scrambled to prepare bids for this new Amazon HQ2.

And yet I find some points in the RFP extremely worrying. I hope no North Carolina city will be burdened with winning this bid. First, in a section titled "Key Preferences and Decision Drivers," we read that Amazon is looking for, "Incentives offered by the state/province and local communities to offset initial capital outlay and ongoing operational costs ..." and "... incentive programs available for the Project at the state/province and local levels ... (i.e., land, site preparation, tax credits/exemptions, relocation grants, workforce grants, utility incentives/grants, permitting, and fee reductions). ..."

That's at least eight different types of incentives from state and local governments Amazon wants to hear about.

And then, in the final page and a half of the RFP, under "Information Requested," three of the nine pieces of information relate

to incentives. It's one half-page specifying all of the details the company wants from the expected incentives. Amazon even goes so far as to say, "We acknowledge a Project of this magnitude may require special incentive legislation in order for the state/province to achieve a competitive incentive proposal."

This sounds pretty audacious from a company worth \$483.5 billion, with revenue of \$136 billion in 2016. The entire North Carolina GDP last year was \$517.9 billion, only slightly more than Amazon is worth. And yet it wants such a huge package of incentives to locate here we may well need special incentive legislation? No thanks. Count me out.

At least two notable cities have made such statements. San Jose and San Antonio have made it clear they won't play this game. San Jose's mayor, a Democrat, said the city wouldn't offer incentives "because they are a bad deal for taxpayers." San Antonio's mayor, a nonpartisan progressive, likened the incentives to "blindly giving away the farm." They're both right.

North Carolina's local governments should follow the lead of San Jose and San Antonio and refuse to engage in this kind of



nonsense. The General Assembly should do the same. North Carolina is a fantastic place to do business. We have a well-educated work force, top universities, and an improving tax and regulatory climate. We're growing fast, proving that we're an easy place to attract talent. We shouldn't be giving enormous incentive packages to extremely wealthy corporations to try to bribe them into coming here.

Instead, we should look at examples like PlantResponse, a Spanish

biotech company that announced in mid-October it would open a North American headquarters in the Triangle. It's small — just 20 employees — but it's growing. And it didn't ask for incentives. The company found a location with good infrastructure, a talented work force, and the sort of support services the company would need. It's not as flashy as Amazon, but it's the sort of sustainable, organic growth that makes for strong, long-term economic development.

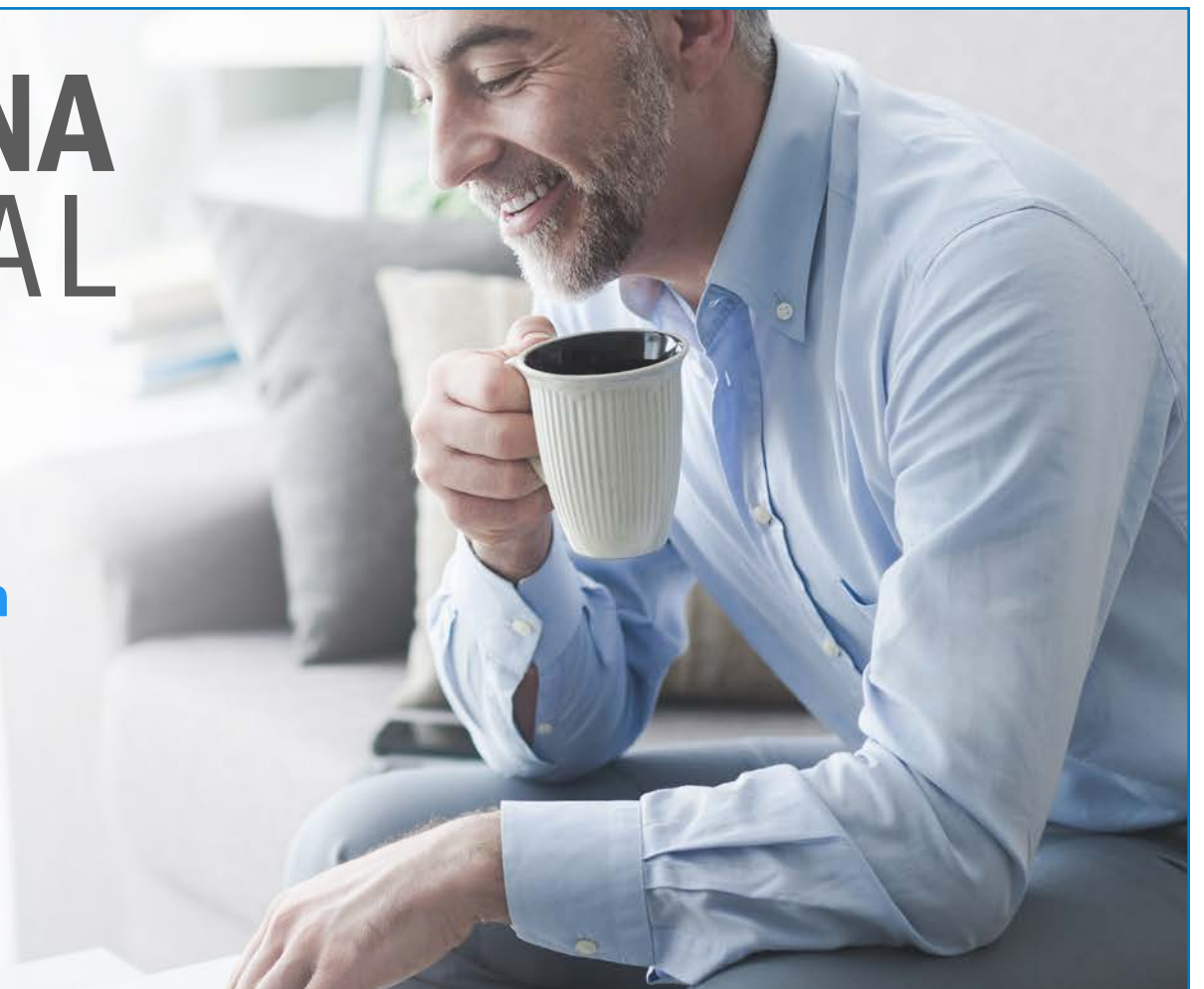


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N.C. SUPREME COURT

More 4-3 decisions, no consistent partisan splits in N.C. Supreme Court



MITCH KOKAI
SENIOR POLITICAL ANALYST
JOHN LOCKE FOUNDATION

The N.C. Supreme Court handed down twice as many 4-3 decisions Friday as it had during the rest of the year. Yet it would be a mistake to jump to the conclusion that the 4-3 splits show signs of a new partisan divide within the state's highest court.

Just one of the four new 4-3 decisions pitted the court's four registered Democrats against its three Republicans. A closer look at the numbers shows constantly shifting coalitions from case to case. It also shows general agreement in most cases among all seven justices.

The state Supreme Court has issued opinions in 42 cases this year. Thirty-two of those cases (76 percent) generated unanimous agreement. In only one of the 32 did more than one justice author an opinion. That was Justice Paul Newby's concurrence to fellow Republican Chief Justice Mark Martin's June opinion in *State v. Jones*. Newby did not disagree with his colleagues at all. He used his somewhat lighthearted concurring opinion to compare the case to a fictional crime in the classic Christmas movie "It's a Wonderful Life."

One other case among the 42 decided this year yielded a unanimous result, though justices split 5-2 on the reasoning. In the *Catawba County ex rel. Rackley v. Loggins* opinion handed down Friday, Martin and Democrat Sam Ervin IV diverged from the reasoning Democratic Justice Mike Morgan offered for reversing a lower court ruling. It doesn't make sense to label this case as a unanimous ruling, though all seven justices agreed on the same outcome.

The remaining nine cases offer examples of more clear-cut splits in legal outcomes. What is not clear is any sign of consistent voting blocs.

Both of this year's 5-2 decisions, with two justices dissenting rather than concurring, involved coalitions of two Democrats and three Republicans in the majority versus two Democrats in the minority. In both cases, a Democrat wrote the majority opinion.

In June's *State v. Miller*, Democratic Justice Cheri Beasley joined Morgan's dissent from Ervin's majority opinion. In August's *Wray v. City of Greensboro*, Beasley joined Ervin's dissent from the majority



INSIDE THE SUPREME COURT. The state Supreme Court has issued opinions in 42 cases this year. Thirty-two of those cases generated unanimous agreement.

opinion drafted by Democratic Justice Robin Hudson.

The court's lone 4-2 ruling this year involved Republican Justice Barbara Jackson joining three Democrats, including opinion author Ervin, in *King v. Bryant*. Martin and Newby wrote separate dissents. Morgan, the court's newest member, took no part in this case. The court issued its ruling in January.

That leaves us with six 4-3 splits. That's one out of every seven cases, or 14 percent. The majority coalitions have shifted from case to case.

Many political observers expected Morgan's 2016 election to signal a potential ideological shift for the Supreme Court. Morgan unseated incumbent Republican Bob Edmunds. The election flipped the court's partisan makeup from 4-3 favoring Republicans to 4-3 favoring Democrats.

But the year's first 4-3 split, in March's *Old Republic Nat'l Title Ins. Co. v. Hartford Fire Ins. Co.*, involved a case of Morgan siding with the court's Republicans against his fellow Democrats. Newby wrote the majority opinion. Ervin penned the dissent.

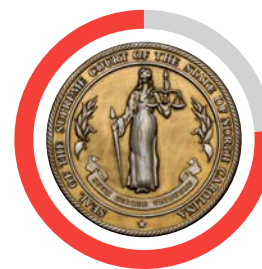
Three of the 4-3 rulings handed down Friday also involved coalitions that defy partisan analysis.



It's important to point out that the N.C. Supreme Court has yet to issue a ruling in any cases pitting Gov. Roy Cooper or other Democratic partisans against the Republican-led General Assembly or its allies.

In *State v. Hammonds*, Martin and Newby joined Ervin's dissent from Hudson's majority opinion. In *Dep't. of Transp. v. Adams Outdoor Advert. of Charlotte Ltd. P'ship*, Ervin joined with the three Republicans to form a majority. The *In re Estate of Skinner* ruling involved Newby and Jackson joining Morgan's dissent from Ervin's majority opinion.

2017 N.C. SUPREME COURT DECISIONS TO DATE



The fourth 4-3 ruling from Friday, *State v. Murrell*, represented just the second case this year in which the justices' divisions fell along party lines. (The first was June's *State v. Romano*. In that case, justices wrestled with the admissibility of blood test results in a drunk-driving case.) In *Murrell*, justices diverged over whether an indictment intended to charge a defendant with armed robbery was "fatally defective." Ervin wrote the majority opinion for the court's four Democrats. Jackson wrote a dissent joined by her fellow Republicans.

Every justice on the N.C. Supreme Court has voted with the

majority at least 88 percent of the time. It's true that the justice who has dissented most often — Newby, with five — is a Republican. But Democrat Beasley has dissented more often (four times, matching Republican Martin) than Republican Jackson (three). Democrats Ervin and Morgan also have dissented three times. Democrat Hudson holds the highest percentage (95) of cases voting with the majority. She has dissented just twice this year.

A Democrat — Ervin — has written the most dissenting opinions (three). Martin, Morgan, and Newby each have written two dissents. Hudson and Jackson each have written one. Beasley has not written a dissenting opinion this year.

It's important to point out that the N.C. Supreme Court has yet to issue a ruling in any cases pitting Gov. Roy Cooper or other Democratic partisans against the Republican-led General Assembly or its allies. It's entirely possible that those cases will generate more partisan 4-3 splits favoring Democrats.

But the historical record of this court's first nine months doesn't make party-line votes a foregone conclusion.

EDUCATION

Everyone is innocent until proven guilty, except college students



SHANNON WATKINS
COLUMNIST

College students are fighting an uphill battle when defending themselves against accusations. Today, students accused of misconduct are subjected to long and invasive investigations without the right to legal representation, to question witnesses, or to be presumed innocent until proven guilty — all basic due-process procedures to which every student should be entitled.

These abuses have been fostered by the Title IX adjudication policies from the Obama administration's 2011 "Dear Colleague" letter. It provided rigid and authoritative "guidelines" requiring colleges to employ a "preponderance of the evidence" standard when judging cases of sexual misconduct.

That standard meant students could be penalized, suspended, or expelled if it "is more likely than not that sexual harassment or violence occurred" — a far cry from the "clear and convincing" or "beyond a reasonable doubt" standards employed in courts of law.

Fortunately, protecting due process may become easier since Betsy DeVos' announcement that the Education Department will rescind the Dear Colleague letter. On Sept. 22, the Department of Education released interim guidance



allowing colleges to use the "clear and convincing evidence" standard, which eliminates many of the perverse incentives to find accused students guilty.

Still, even with the Education Department ending the requirements, universities may keep their Obama-era policies.

To shed light on the lack of due process on college campuses, the Foundation for Individual Rights in Education released a report, "Spotlight on Due Process," analyzing disciplinary policies in the top 53 American universities. The results were dismal.

FIRE defined "10 fundamental elements of due process" and graded each university.

None of the adjudication policies got an A grade, and FIRE reported just 42 percent of universities require that investigators or "fact-finders" be impartial. When investigating sexual misconduct cases, 79 percent of universities met few due-process standards and received D or F grades.

Even in North Carolina, which has one of the strongest due-process laws in the country, major universities fared poorly. The University of North Carolina at Chapel Hill received a D for its handling of sexual misconduct cases. Duke University got a C, and Wake Forest University received an F.

North Carolina's 2013 Students and Administration Equality Act

protects public university students' right to legal counsel and requires universities to report the number and type of investigations conducted. Yet Duke and Wake Forest, as private universities, aren't subject to its protections. Even UNC-Chapel Hill is exempt in nonsexual misconduct cases because it uses student courts, the only exempt public institution. Consequently, students at Duke and Wake Forest — and, in some cases, at Chapel Hill — have no right to consult a lawyer in their defense.

According to a new provision in the Duke student conduct handbook, students who have already been exonerated of any wrongdoing can still be subjected to ongoing accusations and investigations. Many have argued this sort of policy subjects students to "double jeopardy," the absence of which has been a cornerstone of our legal system.

Individual cases suggest that other North Carolina institutions not covered by FIRE's report have similar procedures. In 2014, a student accused of sexual assault at Appalachian State University filed a lawsuit against the school and three of its administrators for denying him his due-process rights.

Such incidents have become almost commonplace since the Dear Colleague letter was issued.

The president of Davidson College, Carol Quillen, openly rationalizes the abuse of due process. She suggested in the *Charlotte Observer* that:

"When a woman tells you she's been assaulted, believe her. ... Nothing about due process says to

a rape survivor, 'I believe you.' ... How can we assure each survivor that we believe her while also insisting on an impartial investigative process?"

Quillen overlooks an important difference between showing compassion to an alleged victim and unconditionally accepting an accuser's claims. And she is hardly alone in academia.

Despite the radical academic climate that rejects reasonable due-process protections, steps can be taken to prevent future violations. Alumni, trustees, student groups, and legislators should pressure administrators to consult FIRE's report to see where improvement is needed and make policy changes accordingly.

Second, students can help by participating in FIRE's student network. Students will have the resources to educate themselves about current threats to their due-process rights.

In North Carolina, it may be appropriate for the General Assembly to revisit House Bill 777. If passed, the bill would permit the cross-examination of witnesses and require a "clear and convincing" standard when determining whether a student is culpable of sexual assault.

A willingness to compromise the fundamental rights of students should not be condoned. State and university officials have the responsibility to rectify injurious policies and provide all students with "basic procedural protections."

Shannon Watkins is a policy associate at the James G. Martin Center for Academic Renewal.



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EDUCATION

Addicting students to distraction



JASON FERTIG
COLUMNIST

A FEW YEARS ago, something changed in class.

I customarily taught classes in which my students read multiple books, wrote thoughtful essays, and came to class prepared to engage in discussions. I'd often come to class with a few notes and the goal of being extemporaneous. Every student was not a Rhodes Scholar, but the majority stayed engaged in long classes. Though my job was draining from facilitating the conversations, it was the most fun I had in a classroom.

Then the fun stopped.

My students appeared more disengaged in the classroom. Leading a good discussion gives that "conducting a symphony" feeling that the best sessions possess. But there was no energy to facilitate. My students completed their out-of-class preparation, but they were much more passive when they arrived in class. Every successive

class seemed more passive.

I adjusted to the passivity by providing questions to prepare in class with their classmates for discussion, but that's not nearly as much fun. I want everyone reacting to each other.

I pondered about the causes of this behavior. Generational? Did I unknowingly change?

Then, a light bulb lit up — smartphones.

I noticed less engagement from my students around 2012. As smartphones became more powerful, more students brought them to class. Now, I see very few students who do not own a smartphone.

Furthermore, now that they can connect to the world, fewer of them talk to each other. I enter a class to a quiet environment of tapping and swiping. Once class begins, students fight the urge to check their phones.

Yet I'm not a Luddite. Smartphones and tablets have advantages, but they also have a dark side. Most of us can attest to the coarsening of dialogue that comes from faceless online environments. Students who spend hours on their phones receive such a massive quantity of information in small snippets it renders deep work exceedingly difficult. These



ADDICTED TO DISTRACTION. Researchers have found that mobile technology has an effect on dopamine levels similar to other pleasurable activities.

small snippets are quite addictive. Researchers have found that seeking new stimuli from mobile technology creates effects on a user's dopamine level similar to other pleasurable activities.

A quick search revealed academic and pop-psychology writings that match my experience.

Cal Newport's *Deep Work: Rules for Focused Success in a Distracted World* argues for proactively managing phones, or else they will

manage you. He argues that for people to be productive, they must not allow distractions to sap their willpower. Newport details how, as a professor of computer science, he doubled his publications without working crazy hours.

Bored and Brilliant: How Spacing Out Can Unlock Your Most Productive & Creative Self by "Note to Self" podcast host Manoush Zomorodi puts forth the idea that we should enforce more boredom on our lives

because boredom can stimulate creative energy. Similar to the other authors, Zomorodi used her productivity struggles as the onus for her "Bored and Brilliant Challenge," in which people follow steps that allow for more time to space out.

It's extremely difficult for teachers to compete with the lure of smartphones. Professors need to be mindful of how technology affects students — and to evaluate new developments.

There's hope that students aren't completely beholden to technology. Through a few writing assignments, I've seen students admit to not wanting to be online as much, but they get hooked because the draw is so powerful. As I've overheard, the word "user" is appropriate for technology addicts.

Students need re-education in deep work. Rather than complaining about the changes I've seen, I've accepted the current climate as a challenge. I hope I'm not alone.

Now if you will excuse me, I must go. I have to check my email.

Jason Fertig is an assistant professor of management at the University of Southern Indiana in Evansville, Indiana.

N.C. meeting educational needs of military families



DR. TERRY STOOPS
VICE PRESIDENT FOR RESEARCH
JOHN LOCKE FOUNDATION

Last month, EdChoice published "Surveying the Military: What America's Servicemembers, Veterans, and Their Spouses Think About K-12 Education and the Profession." Researchers Paul DiPerna, Lindsey Burke, and Anne Ryland conducted a national survey of military households to assess their views on school-choice options, district schools, and careers in the military. Their goal was to gain insight into a segment of the population that is misunderstood and too often overlooked by scholars and school reformers. The EdChoice study is of obvious importance to a state such as North Carolina, which has more than 100,000 active-duty military personnel and thousands of veterans, civilians in defense industries, and their families.



Given their strong preference for private schools, it's no surprise military households overwhelmingly support private school vouchers.

Like most American families, military households are worried about the future of K-12 education in the United States. DiPerna, Burke, and Ryland report 51 percent of survey respondents believe American education is on the wrong track. Only around one-third said the nation's schools are headed in the right direction.

Because military households have doubts about the quality of schools available to children, they strongly support educational options. If afforded the opportunity to select any type of school, the percentage of survey respondents who preferred a district school was nearly identical to those who preferred a private school, 34 and 33 percent, respectively. Another 17 percent would choose a charter

school, 6 percent would operate a homeschool, and 4 percent would select an internet-based (aka virtual) school.

Given their strong preference for private schools, it's no surprise military households overwhelmingly support private school vouchers. In fact, 64 percent of respondents said they backed vouchers, while only 27 percent opposed them.

Thanks to the tireless efforts of education reform advocates, concerned citizens, and Republican lawmakers, North Carolina now operates two voucher programs: the Opportunity Scholarship Program for low-income children and the Disability Grant Program for children with special needs.

Children who attended a Department of Defense School in North Carolina and children with a parent or legal guardian on full-time duty status in the active uniformed service are eligible to receive an Opportunity Scholarship of up to \$4,200, if they meet income eligibility requirements. Military children who have a documented disability may receive up to \$8,000 to attend a participating private school. The General Assembly set aside \$44 million for Opportunity

64%

of American military families support private school vouchers.

Scholarships and \$10 million for Disability Grants for the current school year. They plan increased funding in the future to meet growing demand.

Respondents to the EdChoice survey also overwhelmingly support education savings accounts. An astounding 72 percent were in favor of ESAs, a state-funded bank account that allows parents to buy qualifying instructional materials and educational services for their children. According to researchers, military households believe that ESAs provide access to a better academic environment, more flexibility for parents, and more individual attention. Only 15 percent of respondents oppose ESAs, mostly due to the mistaken belief that they divert funding from public schools.

Earlier this year, North Carolina became the sixth state in the

nation to pass ESA legislation. Beginning in 2018, the \$3.3 million N.C. Personal Education Savings Account Program will begin awarding \$9,000 ESAs so that special-needs children can receive an education that is customized to meet their needs. Like the state's Disability Grant Program, military children who have a documented disability and meet other eligibility requirements qualify for the program.

That's not to say that district schools ignore the needs of military families. In addition to North Carolina being a member of the Interstate Compact on Educational Opportunity for Military Children, state law requires principals to develop a plan to serve "the unique needs of students identified as military-connected students."

Nevertheless, meeting the unique needs of military families necessitates providing pathways for them to connect to a wide range of educational options and opportunities. The robust growth of private school vouchers, charter schools, and virtual schools, along with the planned rollout of ESAs next year, suggest North Carolina is doing just that.

NORTH CAROLINA POLITICS

Kappler now leads N.C. FreeEnterprise Foundation

INTERVIEW



Jonathan Kappler
North Carolina Free
Enterprise Foundation

It was a homecoming for Raleigh native **Jonathan Kappler** when he became executive director of the North Carolina FreeEnterprise Foundation in October. He previously worked there as research director, a role in which he won acclaim for his nonpartisan analysis of state politics. Most recently the summa cum laude graduate of Appalachian State University served as interim vice president of federal relations and director of state government relations for the UNC system. Kappler, who holds a master's degree in public policy from American University, sat down with *Carolina Journal* associate editor Dan Way to talk about his vision for the nonprofit organization. People turn to NCFEF for political research and analysis and educational programming to strengthen the state's business community.

DW: You've been in the new position a short while. What have you noticed has changed about the organization, and what is familiar and part of its bedrock?

JK: Coming back in as executive director provides an opportunity to expand my skill set into more administrative and financial management of the organization. Before I was kind of protected from that aspect, and I was able to focus on just research and analysis of North Carolina politics in an objective sense. Now I'm responsible for a whole suite of things, with both the programming and kind of the running of the organization. Being the executive director of a 501(c)(3) nonprofit, fundraising is always on top of mind, and so that's one thing that I'm kind of getting my arms around now in this new environment. Fortunately, I have a great board that's very engaged to help with that. And what has really changed is in an environment where you have to rely on multiple sources of revenue, my predecessor, Joe Stewart, did a great job of thinking through other opportunities to bring resources into the organization, and one of those is through sponsorships of new programming. One is a partnership of a program that we have created with UNC-TV, the "Bottom Line" TV show that we launched in January that I'll be participating in instead of Joe. And then also doubling down on our marquee programs that were already existing like the Leadership Luncheon at the end of the year in December, when we bring in state leaders to speak to the business community, a kind of a celebratory, nice event.

DW: How have you been spending your days transitioning? What's a typical day look like?

JK: I think a typical day is not typical. ... One of the things we do is provide presentations to trade associations and companies around the state. My second day on the job I was on the road giving a presentation primarily focused on redistricting and demographic changes in the state. So a typical day in-

Our goal is for me personally and the organization broadly to be seen as a credible, and knowledgeable, indispensable source of information.

cludes phone conversations and meetings with business leaders, political figures, folks who are involved in running campaigns, trying to constantly keep my finger on the pulse of what's happening in North Carolina politics, make sure that I'm up to date on what's happening. It's such a dynamic environment. You have to really pay attention to that pretty consistently. Keeping an eye on social media, Twitter primarily, because everything is moving at the speed of Twitter these days. And also making sure that I've got my arms around the organization aspects that I need to be minding, the administrative things, management pieces, and of course working with my very able colleague, Wilma Herrera. She keeps me between the ditches on things.

DW: You were director of state government relations with UNC. What made you decide to give that up and return? Was that a difficult decision?

JK: I really enjoyed my almost five years with the UNC system, where I was given the opportunity for a number of different stretch assignments including coordinating President [Margaret] Spellings' transition into office, and then planning and executing her tour of the system in her first 100 days in office. A fabulous experience. It pushed me, and I grew a lot through that time. Partly as a result of all of those new and different experiences, I felt like I was ready to take on a new and different challenge. Moving away from the advocacy role



JONATHAN KAPPLER: Returning to the N.C. FreeEnterprise Foundation with a new, expanded role as executive director.

that I had been in into a situation where I'm going back to nonpartisan political research and analysis, which is really partly just where my heart is. I'm really interested in that, and I think that's where my skill set is best utilized for the state's business community and the public at large.

DW: Joe Stewart put his brand on NCFEF. Is he a tough act to follow, and do you feel any pressure or need to put your own stamp on the organization?

JK: I feel pressure to be funnier than I think I am because Joe's a very dynamic individual who's hilarious. Given that the role is to deliver quite a few presentations, in 2016 Joe delivered over 150 presentations around the state. We'll see if I get anywhere close to that. He's an entertainer and a great explainer of this stuff, so there certainly is a high standard to meet there. I'm excited to see how I can fill that role. I love North Carolina politics and have for a long time. I was that weird guy in high school who liked state-level politics. I was a page in the [state] House and Senate. ... I am excited for the opportunity and also excited to execute on some new programming that Joe had initiated as he was stepping away, and so I'm looking forward — as we enter

into a very dynamic election cycle — to be able to execute some new things.

DW: What can we expect from NCFEF under your leadership? What favorite programs will we see, and what might we see that is new and exciting?

JK: Joe had gotten "Bottom Line," the TV show with UNC-TV, off the ground and had several episodes. That's on hiatus at the moment, allowing me to get my feet underneath me, and then we'll relaunch in January with UNC-TV, tweaking the format potentially on that and then moving forward after that proof of concept has been validated. And then we're going to continue on with our marquee programming, a lot of the things that people really like about the FreeEnterprise Foundation — candidate forums, elections briefings, presentations, consistent analysis about what's happening in North Carolina politics. When I was there previously at the FreeEnterprise Foundation, we did a lot of content generation ourselves in providing information in written form about campaign finance and polling, and demographic changes, and what was happening in the news, what the status of various races were at various levels across the state. We'll definitely continue to do a lot of that. I'm also ex-

perimenting already with a variety of types of information, and the scope of information. What I mean by that is providing information that is very consistent and bite-size. Social media. I've started using Periscope to provide a quick "This is what's in the headlines in North Carolina politics today," and then trying to put that out every morning. We're archiving that on our websites. We're also getting back to aggregating political news around the state and nationally that's relevant to North Carolina politics. We'll have larger research projects and information. The business ratings of the ... General Assembly will be coming out here soon. It's really a mix. I'm trying to blend both my experience with the FreeEnterprise Foundation, and the style and manner in which Joe ran the organization, and just try to get the best of both worlds there.

DW: Any final thoughts?

JK: I'd say that we focus so much on the politics of the state, but the business community in the state is changing as well, and it's interesting to think about a lot of home-grown ... companies that are not necessarily headquartered here anymore, that are part of larger consolidated entities. That's changing the nature of our business community and how they engage in state-level politics. For us that's both a challenge and a really interesting dynamic in the state, indicative of the more globalized approach that all of our communities are engaging in. That's an interesting thing and maybe a difference a little bit for me from when I was here several years ago. But our goal is to provide that information, and for me personally and the organization broadly to be seen as a credible, and knowledgeable, indispensable source of information. I want to be approachable, too. Given how crazy the environment can be at times, and how fast-moving it can be, I am always open to hearing new and different ideas. I'm not always right. My initial take might not always be the accurate assessment of things, so I definitely encourage feedback.

NATIONAL SECURITY

U.S. faces multiple interlocking threats to national security, public safety

Q & A



Van Hipp
American Defense
International, Inc.

From a belligerent North Korea to a meddling Russia to adherents of a violent form of Islam, American national security faces threats on multiple fronts. **Van Hipp** tracks those threats in his role as chairman of American Defense International, a Washington, D.C.-based consulting firm. Hipp analyzed key threats during a recent conversation in Raleigh with Mitch Kokai for Carolina Journal Radio.

MK: What do you see as the No. 1 threat that we're facing today?

VH: It's a more dangerous world today than it was the day after 9/11. One of the main reasons is technology is changing faster than our government's ability to adapt. As technology changes, the threats increase exponentially.

It's a combination of things. You've got radical Islam, but you've got North Korea. You've got cybersecurity. And it all kind of ties together in a way, because Iran, a radical Islamic regime, is funding the North Korean threat. Cybersecurity: The North Koreans now have a quantum encryption device. That's a scary thing. The first country to win the race on quantum computing and random number generation could almost prevent hacking. So if they win that race, no matter what we do, it would be very tough to take out their systems. So this president sure did inherit a mess.

MK: It sounds as if the biggest threat is the fact that all these other threats can now be more coordinated than they were?

VH: Absolutely, and really technology is just changing so quickly, and, unfortunately, our government is so stovepipe. I think the 9/11 Commission said it best that, 9/11, above all else, was a failure of imagination. We're always responding to the last attack rather than thinking outside of the box to prevent the next one.

MK: How do we then change our mind-set and start preparing for these new attacks?

VH: We've got to change the way the government does business. I think President Trump is trying to do the right things. He's got to get his people in the Pentagon. I mean, I've been saying it for a long time: too many Obama holdovers. Get them out of there. There are many Trump loyalists out there that he needs to put in the administration who will have his back — who'll do the right thing.

MK: Let's take a look at



The Memorial of Soldiers at the Mansudae Grand Monument in North Korea

some of the specific threats. I'm going to, first of all, start with one that's been quite a bit in the news. ... The media has been fixated on the Russians and their attempt to influence the elections. Do the Russians, in and of themselves, do they constitute a major threat at this point?

VH: You know the Russian Bear. All they ever really respect is strength, if you go back and look through history. I've been saying that Vladimir Putin is just an old KGB agent who's been masquerading as the president of Russia. But they do pose a threat. Not to the extent that they used to, but they can sure be helpful to us if they wanted to.

But as far as the Russian election shenanigans, I tell you, I think that Jeh Johnson's testimony to Congress was very significant. [It] didn't get as much media play. Where Obama's own secretary of homeland security said that there was no evidence that he saw that the Russian cyberattack influenced the election ... altered any votes or suppressed any votes. That's pretty strong from Obama's own homeland security secretary.

MK: Yeah, it certainly is. Let's turn to some of the other issues as well. You

President Trump is trying to do the right things. He's got to get his people in the Pentagon.

mentioned some of these. What about radical Islam? Radical Islam as a force. How important is it for us to be focusing on?

VH: It's the challenge of our time. I think King Abdullah of Jordan said it best. He called it World War III and a war within Islam. That's why I think it's important for us to work with moderate and reformed Muslims like King Abdullah of Jordan. Also like King Mohammed VI of Morocco, [a] very strong ally. [He] just wrote an op-ed about the things that they're doing to help us in the war on terror. Those are the kind of people we need to be working more with.

Also: What's going on in these mosques? I've called for a rewards program. If you see something going on in the mosque, if you come forward with actionable intelligence, I've called for a rewards program to encourage people in the mosques

to come forward with actionable intelligence.

MK: Another one of our potential threats that's been in the news quite a bit recently is North Korea, with all of these missile launches. What is your concern about North Korea these days?

VH: It all comes down to that ballistic missile capability combined with a nuclear threat. I've looked at this for a long time, and we know they have the nuclear warhead design package of the infamous Pakistani scientist Dr. A.Q. Khan. Open-source intelligence tells us that Iranians are en route to North Korea now. In the past, almost every time they've gone there, a nuclear test of some sort has followed. So that's the threat to America.

... I wrote a piece back in 2012 documenting how they used an Unha-3 rocket to get a satellite in space. So we knew they were getting very close to having an ICBM. ... This is what the president, I think, is watching for. We cannot allow them to have an ICBM that can accommodate a nuclear warhead.

I know they're doing all the diplomatic stuff now, a last attempt there. But the military option is still on the table, and we cannot allow them to have a nuclear warhead on an ICBM that could reach the United States.

MK: Some people have said that it would be enough for them, not to necessarily have the material that would cause an explosion on the ground, but to be able to launch something that would lead to an EMP, an electromagnetic pulse attack. That in and of itself could be a problem.

VH: Absolutely, and the EMP Commission has said there is very strong evidence that they may already have two EMP warheads. That would have the same effect of a geomagnetic storm on the face of the sun. We had one in 1859, that was the last one.

I tell people, if you don't believe me, listen to NASA. NASA says it is inevitable in the next 10 to 100 years that we will have another Carrington Event [another name for the 1859 solar

storm]. So we've got to harden the grid and have better transformer technology to get our grid up and running. It's got to be a top priority of our Department of Energy.

MK: Are there some threats out there that you see as important that people just don't even have on their radar at this point?

VH: For a long time, I've been talking about North Korea. I didn't think it was on the radar. So, finally, I think, people are getting that. And then the cyber-threat is the most complex national security challenge we've ever faced. I call it the fifth dimension of warfare, after air, land, sea, and space. It's causing not only great national security harm to America, but great economic harm. Every year we're losing more intellectual property — among our businesses, universities, government networks — than in the entire Library of Congress. It is a major, major threat and one that we've got to get out in front of.

MK: To how big of an extent is it a problem when it's not just the bad guys trying to attack Defense Department computers, that sort of thing, but the people who are sending you these bogus Facebook requests or the spam email? Is that part of this problem as well?

VH: It is. The threats are coming from different sources. Primarily, you have to distinguish, for example, between what the Islamists are doing and the Chinese are doing, because each requires different countermeasures from a cyber standpoint. The Chinese are more about espionage, and the Islamists are about sabotage.

But I would say this: It is primarily a recruitment problem. One of the top experts, James Gosler, has said we need about 30,000 true cybersecurity experts in America to thwart the worst kind of attack. We've only got about 1,000. I've been calling for national security scholarships on our college campuses and university campuses. Let's recruit the best kids we've got to go into cybersecurity and go into data security.

COMMENTARY

EDITORIAL

Cooper picks unwise political fights

During the 2016 gubernatorial campaign, Democratic politicians, progressive activists, and left-leaning media outlets excoriated Pat McCrory and other North Carolina Republicans for elevating divisive social disputes above the issues that most voters care most about, such as creating jobs and improving education.

Their main example was House Bill 2. North Carolinians generally agree that people on public property, and most especially students in schools, have a reasonable and enforceable expectation of privacy when they use bathrooms, showers, and locker rooms.

But critics of McCrory and GOP lawmakers argued that they had overreacted, that they had swept too many other issues up into their legislative response to an anti-discrimination ordinance in Charlotte that was itself unpopular.

Back last fall, Democratic candidate Roy Cooper was singing the same tune about avoiding distractions and sticking to fundamentals. If you listen to him now, however, he sure sounds distracted.

Not long ago, it was the issue of Confederate monuments and memorials. Cooper insisted that the memorial to Civil War dead at the University of North Carolina at Chapel Hill, popularly known as “Silent Sam,” be removed from campus. He further insisted, obviously erroneously, that UNC officials had the legal authority to remove the statue.

Interestingly, while Cooper announced plans to seek the removal of Confederate memorials and monuments from the State Capitol grounds and other state property, he made no such announcement about state memorials to past Democratic politicians who, despite being thoroughgoing racists, are still revered

by Democrats and others for their accomplishments in other fields.

Unlike other thoughtful North Carolinians, liberals and conservatives alike, he didn't call for a careful, systematic, and historically grounded consideration of how best to address the issue of memorialization. He didn't distinguish between memorializing dead Civil War soldiers, for example, and honoring secessionist leaders or segregationist politicians.

But these are not matters to resolve with press releases and political talking points. That's not how most North Carolinians want their governors to spend their time. Two recent polls, by Elon University and High Point University, have tested public support for Cooper's position. It's pretty low — 29 percent and 32 percent, respectively.

In mid-October, the governor went back to the H.B. 2 well and announced what was obviously a collusive “settlement” with plaintiffs seeking to overturn the compromise Cooper and the General Assembly struck earlier this year. Rather than working out a reasonable accommodation between the competing claims to privacy on public property — which appears to be the consensus view of North

Carolinians outside the political class — the governor is adopting the most radical position on access to sex-designated bathrooms and changing facilities.

Once again, Cooper is placing himself against the views of most North Carolinians and doing precisely what he accused his predecessor of doing — elevating a social issue into a major political controversy rather than focusing on the core functions of government.

Cooper has decided to play to the extremes of his party's base. If this is the message Democrats take into the 2018 midterms, Republicans will breathe a sigh of relief.



Skepticism is healthy, but political posturing is not



BECKI GRAY

SENIOR VICE PRESIDENT
JOHN LOCKE FOUNDATION

SINCE 2011, the Republican-led General Assembly has enacted transformational reforms. These include changes to our tax structure and how we pay for infrastructure, along with more options for parents choosing schools for their children. My colleagues have written extensively over the past seven years about the benefits these reforms have had for the state's economy, business environment, and families.

The reforms were met first with accusations of partisanship and predictions of gloom, doom, and even the state's ruin. But data confirm the reforms make us a leader in good government. Other states look to us for ways to do reform right.

I was surprised by the negative reaction when lawmakers proposed reforming the judiciary. The General Assembly is committed to reform, even if the governor isn't.

Superior Court elections were switched from partisan to nonpartisan in 1996, and District Court elections were changed in 2001. House Bill 100, despite a veto from the governor, was enacted during the recent long session, again making the elections partisan.

House Bill 239 reduces Court of Appeals seats from 15 to 12 and

provides a right of appeal directly to the Supreme Court in some cases. It was vetoed and overridden.

Senate Bill 656 delays candidate filings for judicial races from February to June 2018 and eliminates judicial primaries. It's now easier for unaffiliated candidates to access the ballot. The threshold for a leading candidate to avoid a primary runoff drops from 40 percent of votes cast to 30 percent.

Additional ideas are being discussed, such as how district lines are drawn and resources allocated, terms of office, and even how judges are selected.

House Bill 717 proposed new court districts and looked at the judiciary as a whole for the first time in 50 years. The bill has changed and faced hours of committee discussion, public hearings, and conferences with judges, district attorneys, and others. It passed the House Oct. 5 and sits in the Senate Rules Committee.

Senate Bill 698, filed Oct. 17, proposes a constitutional amendment shortening judicial terms from four or eight years to two years. Subject to a statewide referendum, it would appear on the May 2018 primary ballot. All judicial seats would be subject to election in November 2018.

Judicial reform may include changes in how judges are selected. This has been a subject of discussion as far back as 1776. Here are three things to keep in mind as we consider judicial reform proposals over the next several months:

- The judicial system is responsible for interpreting laws and upholding the Constitution.

It's there to serve constituents and ensure access to fair, impartial judges and equitable distribution of resources. It's not there for the convenience of judges, special interests, and others who work in the courts.

- How judges are selected should rest with the people, whether by direct election — as we have now — or through an election/retention system. Politicizing the selection through appointees from the governor or General Assembly risks undue influence from either party holding control at any given time. The political pendulum eventually swings both ways. Any changes to how we elect judges should and must be through a statewide vote on changes to the constitution.
- The U.S. Constitution guarantees our right to a fair trial. The N.C. Constitution's Article I, Section 18 declares, “All courts shall be open; every person for an injury done him in his lands, goods, person, or reputation shall have remedy by due course of law; and right and justice shall be administered without favor, denial, or delay.”

Justice is too important to be left to special interests or partisan hacks. It's up to us. Vote for judges like your rights depend on it. Healthy skepticism, vigorous discussion and thoughtful debate are part of the reform process. But opposition for the sake of political posturing and virtue signaling is not the way to move forward.





COMMENTARY BY JOHN HOOD

Reforming health care is critical

DEBATE OVER THE future of the Affordable Care Act is surging again.

If you're a conservative, in particular, you should understand progress on just about any other issue you deem important — from taxes and the size of government to job creation, income growth, education reform, social policy, even transportation — is contingent on controlling the growth of health care costs.

Chris Conover, a health policy analyst at Duke University, has done excellent work in chronicling the scope, finances, and complexity of the health care system as currently constituted. His 2012 book, *The American Health Economy Illustrated*, is an indispensable reference.

Conover updated his analysis to help put the debate in context. Health care expenditures per person, for example, have grown at an average rate of about 4.1 percent after inflation since 1929, while the rest of the economy grew at an average rate of about 2 percent.

To some extent, this is neither surprising nor problematic. As innovation has made it possible to deliver other goods and services at much lower cost, we've chosen to plow some of the resulting savings into purchases of medical (and education) services. By definition, some sectors of the economy have to grow at above-average rates.

Medical care really is much better and more available than it used to be. But much of the increase in spending, especially in recent decades, is harder to explain with data on higher quality or greater access.

Conover notes that in 1965, government expenditures at all levels accounted for about 28 percent of our gross domestic product. Now, the share is 34 percent. This entire increase in government's size is attributable to Medicare, Medicaid, and other government health care programs.

To put the matter bluntly, health care reform is only worth doing if it will significantly constrain the inflation of health care costs in the coming years and decades. If Medicare and Medicaid will continue to grow at currently projected rates under a proposed bill, it deserves defeat. If a bill would lower the growth of such spending, it deserves passage.

Median household income shoots up

John Locke was wrong. You might be surprised to see the chairman of the John Locke Foundation make that admission, but venerating a historical figure and applying his ideas to modern problems requires neither perfection in that human being (which is impossible) nor slavish devotion to his every utterance (which is foolish).

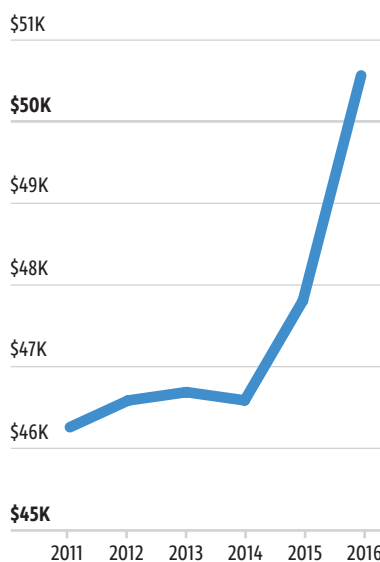
Locke's ideas about politics, liberty, economics, and education remain highly influential — and deservedly so. America's Declaration of Independence is, in part, an adaptation of Locke's theories about natural rights and the legitimacy of government. His advocacy of religious toleration was a critical moment in the movement toward freedom of conscience.

But when it comes to how human beings learn, Locke's idea that we are "blank slates," fully open to be written on by experience, has proven to be erroneous, at least in the form he stated it. We now know human nature is real — the product of either divine providence or evolutionary adaptation.

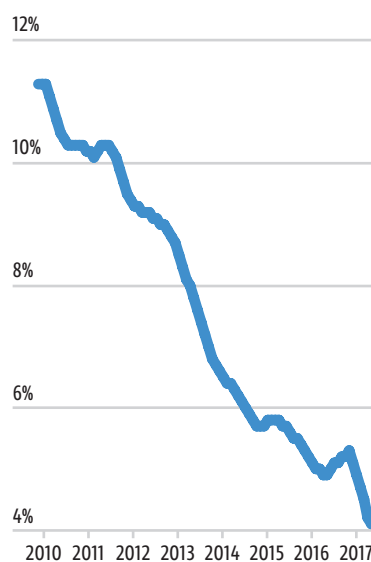
Part of our human nature is that we are born with a mental architecture. We are "prewired" to interpret the evidence of our senses in certain ways. While this wiring proved critical to our survival before the advent of civilization, it sometimes trips us up as we navigate our modern world.

For example, we're strongly oriented to detecting and analyzing patterns. That's great. It's the key to humanity's success and makes art and science possible. But often, our pattern-recognition system

Median Household Income in North Carolina



Unemployment Rate in North Carolina



SOURCE: United States Census, Bureau of Labor Statistics

leads us away from evidence that contradicts what we already believe. We either don't take notice of contrary evidence (selection bias), or we place a greater but unwarranted value on evidence that supports our pre-existing belief (confirmation bias).

Look no further than recent political debates about North Carolina's economy.

From 2013 to 2016, we had a Republican-dominated state government and a Democratic president. Every time an agency released new economic data, Republicans would find reasons to argue that any good national news must be fraudulent or exaggerated while at the same time arguing that any

good news about North Carolina's economy was true or even understated.

N.C. Democrats did the reverse. During most of this period, North Carolina's economy outperformed the national average on most growth measures.

Democrats somehow managed to convince themselves either that this meant North Carolina was merely benefiting from President Obama's wise policies (which was an illogical interpretation of the evidence) or North Carolina was underperforming the national average (which was contrary to most evidence).

The Census Bureau recently released 2016 data on median

household income. In past years, North Carolina's performance on this measure was unimpressive — and Democratic politicians and progressive commentators made sure North Carolinians heard incessantly about that.

The 2016 trend was quite different. North Carolina's median household income was \$50,584, up 4.5 percent from last year after adjusting for inflation.

That was the fourth-highest growth rate in the country and far above the 2.4 percent national average. Have you seen headlines or heard news broadcasts about this?

A large one-year gain will never be the full story, of course. From 2013 to 2016, North Carolina's median household income rose about 7 percent by my count. That's a better growth rate than that of most states in the Southeast and of the nation. But it's not in the top 10.

How do other growth measures look over the same period? In per-capita income, a somewhat different measure, we ranked 12th in the nation. In gross domestic product, our growth rate also ranked 12th, but drops a bit to 16th if you use a measure that adjusts for price differences, including what our exports sell for overseas.

On the labor market, North Carolina's decline in unemployment and underemployment was 5.3 percentage points — a tie for the fifth-largest improvement.

We can and should lean against our mental biases. If he'd known about modern brain science, John Locke would have strongly approved.

RIGHTS & REGULATIONS

Property rights have economic payoff

WHEN NORTH Carolina is competing with other states and nations for investment, business startups and expansions, and high-value professionals, we start out with some important advantages. Our tax code, for example, is now one of the most growth-friendly systems in the country.

In another area, land-use regulation, North Carolina also ranks above average — but not by much. We should strengthen property-rights protections in our state, not only because North Carolinians deserve more freedom but also because

such protections appear to boost growth, job creation, and income gains.

A new study posted at the National Bureau of Economic Research by Kyle Herkenhoff of the University of Minnesota, Lee Ohanian of UCLA, and Nobel Laureate Edward Prescott of the University of Arizona found heavy regulations on land use increase the price of housing, thus chasing away investors, entrepreneurs, and workers from the states and localities that impose them.

The effects of rent control, rigid zoning laws, density and parking limits,



We should also amend the state constitution to protect landowners against eminent-domain abuse.

eminent-domain abuse, and other land-use policies aren't just negative for the jurisdictions that impose them. Herkenhoff, Ohanian, and Prescott found that the American economy as a whole suffers from the distortions created by differential regulations and housing costs. If just

California and New York alone had kept their regulatory burdens the same since 1980, rather than increasing them dramatically, the nation's productivity would be substantially higher than it is.

North Carolina has authorized local governments to impose certain kinds of land-use regulations. Some are justified. Others are abusive, and state lawmakers ought to rescind such power to violate individual rights. This may well be an opportunity for some Left-Right alliances, by the way, because some lot-size and zoning regulations prevent

the construction of the very affordable housing and high-density projects that many progressives advocate.

We should also amend the state constitution to protect landowners against eminent-domain abuse. Governments should be allowed to condemn and acquire private property only for public use — to construct a public asset — and not for the purpose of transferring property from one private owner to another, on the grounds that the politically preferred owner would be best for "the community."

COMMENTARY

Newspapers, in some form, must be saved, but how?



JOHN TRUMP
MANAGING EDITOR

Newspapers refuse to die. On a superficial level, that's a good thing.

For as long as I can remember, newspaper publishers, editors, and the large corporations that pull the proverbial strings have made innumerable and mostly ill-fated attempts to revive an industry and business plan that began cracking around the edges some 30 years ago.

Now it's crumbling in chunks.

Newspapers, as we know, were once the gatekeepers that ejected corrupt and vile public officials. They exposed graft and theft. They told us who died and how. They were — and still must be — crucial in maintaining the ideals of individual freedom and liberty and in upholding the tenets of our Constitution.

Newspapers are necessary and indispensable.

But they are failing badly. I shudder to think what local governments and officials are getting away with as major dailies in our own state end city hall and school board beats. As they lay off reporters and not replace them.

Still, newspapers must be saved, but the "how" isn't close to clear, as opinions about resuscitating this long-suffering patient are as numerous and as disparate as were newspapers in 1920s New York City.

The business model hasn't changed much since then, really. Newspapers will ultimately become news sites, online-only outlets that make only a fraction of the once-staggering profits produced by the now long-dead print advertising cash cow.

Any and all life-saving strategies must be fluent and sustainable.

A program announced at the Google News Lab Summit, writes Gracy Olmstead of The Federalist, "aims to place 1,000 enterprising young journalists in local newsrooms around the country."

Report for America, project architects Charles Sennott and Steven Waldman call it.

Here's how it would work,

Olmstead writes: Emerging journalists will apply to be part of RFA, and newsrooms will apply for help. "RFA will pay 50 percent of that journalist's salary, with the newsroom paying 25 percent and local donors paying the other 25 percent. That reporter will work in the local newsroom for a year, with the opportunity to renew.

"After the first year, the local news organization will have to pay a larger share of the journalists' income. But 'corps members' in the RFA program will receive continued mentorship and support from the organization after their placements."

Support comes from the GroundTruth Project and the Google News Lab, The Lenfest Institute for Journalism, Knight Foundation, Galloway Family Foundation, Center for Investigative Reporting, and Solutions Journalism Network.

As Olmstead rightly points out, local journalism is painstaking and oftentimes mind-numbing work, sometimes requiring preternatural tenacity and patience. It's about covering drawn-out meetings and rec league soccer matches. It's about covering horrific crimes and accidents at 2 a.m. before falling out of bed a few hours later for a hollow and obligatory speech or an innocuous community parade.

It's about navigating petty office politics and corporate rules and mandates. It's about working



14-hour days with the promise of comp time that never comes. It's about watching capable colleagues leave for no reason other than a corporate demand to streamline and "rightsize."

And doing all of this for \$25,000 a year.

RFA has a 'service requirement for corps members. "We think much journalism is public service but we also want RFA corps members to go the extra mile and do service projects in the community," Olmstead writes, quoting the group's website. "In particular, we're looking to have them work in high schools and middle schools to help start or strengthen student-run news websites, feeds, TV shows, or newspapers."

Here's my worry: The idea flies

in the face of the free market. Newspapers are dying because classifieds, real estate ads, etc., have gone online, and they aren't coming back to print. Dropping nascent reporters in to do a job few want isn't a long-term strategy, because the core problems with newspapers will continue.

What will happen when the papers come to depend on this newsy Peace Corps? Will publishers turn to government grants and outright appropriations, and, as a consequence, will liberal opinions and bias become unquestioned byproducts of the news-gathering process?

RFA may be a serviceable lifeline, as Olmstead says. But how long will it be before that rope frays and unravels, too?

Winners remorse? Should North Carolina want Amazon?



MICHAEL WALDEN
COLUMNIST

WHEN I JOINED the faculty of N.C. State University four decades ago, buying books — an occupational necessity for academics — was tedious and time-consuming. I would first contact the university bookstore, which then ordered the book from the publisher. When it arrived — usually weeks later — I would spend at least 45 minutes walking to and from the bookstore to retrieve the book.

Today, I have one-click ordering on Amazon, and my books arrive at my front door often mere days later. No wonder my spending on books has skyrocketed.

Amazon was initially a big boon to book buying, then jewelry, and then followed by items such as electronics, housewares, and personal products. Amazon may eventually become the virtual

store selling almost anything, with the potential for drone development in the future. Amazing.

Now there's another change coming to Amazon. It's the building of a second U.S. headquarters to pair with its current Seattle headquarters.

The estimated economic impact of Amazon HQ II is huge: \$5 billion in construction, 50,000 employees with an average salary of \$100,000 — plus another 50,000 jobs from supplier and work spending impacts — and an annual \$11 billion impact once the new facility is fully staffed and operational.

Amazon has some specific items on its shopping list for a second headquarters. The location must be in a metropolitan area of at least 1 million people, with access to technical talent, an international airport, a vibrant downtown, and mass transit. Amazon also wants the region to have a "stable and business-friendly environment."

Does North Carolina have a chance of landing the new Amazon headquarters? Economic developers already have composed lists of metropolitan areas they



Land and housing prices would rise, especially in accessible neighborhoods and areas surrounding the headquarters' site.

consider viable candidates, and many lists include Charlotte and Raleigh.

At least to me, this makes sense. Both Charlotte and Raleigh are dynamic, fast-growing regions that would give Amazon's leadership a presence both on the East Coast as well as in the expanding Southeast. Each has competitive land costs, an international airport, a trendy downtown, and access to tech workers and universities. Both cities also could tout the big reductions in state individual and corporate tax rates in recent years.

Still, Charlotte and Raleigh have their own individual strengths and weaknesses. Raleigh is well-known as a technology center, be-

ing part of the "triangle" enclosing Research Triangle Park, one of the earliest research-focused sites in the world and currently undergoing an expansion and redesign. The Raleigh region has one of the highest proportions of its population with a bachelor's degree in the country, and its rate is a full 10 percentage points higher than Charlotte's.

Charlotte is best known as a banking and logistics center. Charlotte has a more developed mass transit system than Raleigh, a larger downtown, a busier airport with more connections, and a bigger population that can support more amenities and activities. There's also the ability to expand UNC-Charlotte, which will soon be served by the city's light rail system.

There are, of course, likely downsides that would come with a project as big as Amazon HQ II. Land and housing prices would rise, especially in accessible neighborhoods and areas surrounding the headquarters' site. While current owners of land and housing would benefit, new buyers

and renters — especially those with limited financial resources — would be at a disadvantage. Charlotte and Raleigh already have experienced widening income inequality from their rapid growth of recent decades.

Then there's the big issue of public financial incentives. There's little question Amazon would want them, and they would be big. Although I would expect Amazon's economic benefits in jobs, incomes, and economic growth for the state to exceed the cost of targeted tax reductions and forgiveness, incentives always create questions about economic efficiency and equity. Amazon would displace some existing businesses and reap tax benefits not available to other firms.

Amazon has said it would decide about the location of its new headquarters in 2018. The big question is: Will the chosen city ultimately have "winners' remorse?"

Michael Walden is a Reynolds Distinguished Professor at N.C. State University. He does not speak for the university.

COMMENTARY

Rejecting the values that made this country great



ANDY TAYLOR
COLUMNIST

The major American political parties are in crisis. The proportion of American voters who register as independents has reached 40 percent, rising about 10 percentage points since 2000. A few months ago, unaffiliated voters surpassed Republicans in North Carolina and are quickly gaining ground on the Democrats — that party is actually losing registrants as the state's population grows. The approval ratings of the two parties have cratered, and both are far below water — a sizable majority of Americans now view each unfavorably. In 2016, the Republicans picked a nominal member for president. The Democrats almost selected a nonmember.

This should be a good moment for Republicans. They hold the White House and have majorities in the House and Senate but, as

demonstrated by the Obamacare repeal-and-replace debacle, can't seem to get anything of significance done. The party might also be on the verge of civil war, as a number of Senate incumbents face insurgent primary challengers supported by former Trump adviser Steve Bannon and encouraged by the success of Roy Moore in Alabama. The Democrats ought to be ready to take advantage. Yet they too are a shambles, torn over policy and strategy. The most strident voices call for the party to continue pursuing identity politics, an approach that's rapidly eroding the core of their dominant New Deal coalition, the white working class.

The reasons for the parties' difficulties are diverse and deep. But they seem driven largely by a virulent rejection of the institutions of 20th-century America. It's a reaction that's perhaps making the 21st century one of fear and uncertainty.

There are many such institutions, and they are in retreat. NATO, which did so much to manage and then win the Cold War, now seems superfluous. The conventional nuclear family has been ripped apart by financial necessity

and social changes. "Bourgeois" values such as individual responsibility and hard work are demeaned as racist hate speech in higher education and media circles. The pews of mainline Protestant churches, whose congregants led the country to the pinnacle of world power, are empty.

Our military and veterans are viewed as a kind of boorish elderly live-in relative. They may have done a lot of valuable things in the past, but now they're just expensive and embarrass us in front of friends — what with all that flag-waving and national anthem stuff. As for the police, they have become enemy No. 1, and not least among elites who live cloistered lives where the protection of law enforcement is normally unneeded. When you think of America like this, it becomes clear the parties are simply another family heirloom that has been trashed.

Just like Aunt Mary's cracked Waterford crystal vase, they aren't easily replaced. Plausible alternatives are neither practical nor desirable. One is that a major new party or parties will emerge. But the electoral system remains

inhospitable — there's little immediate prospect of reforming campaign finance, ballot access, and voting rules — and the public is wary. In 2016 candidates not named Donald Trump or Hillary Clinton got only 6 percent of the vote. No Labels, a group committed to the appealing notions of "bipartisanship" and "problem solving," which many see as a prototype for a centrist third party, has little to show for its work.

A second sort of "partyless" politics could work plausibly only at the presidential level, where an independent individual with a personal power base campaigns and governs outside of the existing system. Funny enough, we're experimenting a bit with that now. I'd argue that it doesn't work and, whether because Trump conforms or is not re-elected in 2020, will not last.

So might we get our party system back? For many that can happen only if the process of ideological polarization, such a feature of today's politics, is reversed. Divergent policy positions are not inherently damaging, however. They can give voters meaningful choices and energize public debate.

The problem is we no longer enjoy a party politics where combatants argue over policy using a shared set of values. So, unlike much of the post-war period when Democrats emphasized equality and Republicans liberty within the confines of the country's founding principles and a joint commitment to its collective success, many partisans today are staking positions outside this terrain. Allegiances are to groups other than country and its traditional components, such as church and family. Core individual economic and political freedoms and established democratic practices enshrined in the Constitution are no longer respected.

And therein lies the parties' problem. They are unappreciated because we have rejected the foundational values on which they and the other institutions that made this country the envy of the world were built. It's not so much them as it is us.

Andy Taylor is a professor of political science at the School of International and Public Affairs at N.C. State University. He does not speak for the university.

Tillis makes great opening bid on illegal immigration reform



MARC ROTTERMAN
COLUMNIST

OVER THE YEARS I have written many columns about illegal immigration and securing the border.

Unfortunately, from the presidency of Ronald Reagan to the present, we have yet to secure our border with Mexico.

Hypocrisy on both sides has permeated the debate. To be frank, big business enjoys using cheap labor from illegal immigrants, and Democrats look at illegal immigration as a way eventually to expand their voter base. But Republicans and Democrats have failed to find a solution to this ongoing crisis.

We should be clear. America no longer can afford open borders and unfettered illegal immigration. It's worth noting a study by the Federation for American Immigration Reform shows illegal immigration costs American taxpayers a staggering \$135 billion per year. Included in those costs are food stamps, welfare, free education, unpaid medical services, and a



SUCCEED ACT. Sen. Thom Tillis, R-North Carolina, explains the proposed SUCCEED Act as Sen. James Lankford, R-Oklahoma, listens.

huge law enforcement bill.

Caught in the middle are many minors — some came to America on their own, and others with their parents — now known as "dreamers," after the Development, Relief, and Education for Alien Minors, or DREAM, Act.

The bill is intended to keep illegal-immigrant children who didn't enter the U.S. voluntarily from being deported. In many cases,

their parents are legal residents or even U.S. citizens, but the kids are neither.

Various forms of the DREAM Act have come up since 2001, but it never has passed Congress.

In 2012 President Obama circumvented Congress and the law essentially by shielding the dreamers from deportation for two years with his Deferred Action for Childhood Arrivals executive

order. Dreamers who applied for temporary residency and stayed out of legal trouble were otherwise protected.

In 2014, the courts blocked a planned expansion of DACA.

In September, the Department of Justice announced it was effectively ending the DACA program for dreamers, and the Department of Homeland Security provided a limited six-month window — which has been extended — for DACA recipients to renew their applications.

Enter North Carolina's own Sen. Thom Tillis, along with Sen. James Lankford of Oklahoma, who recently introduced the SUCCEED Act. They describe it as merit-based legislation designed to resolve legal uncertainty for illegal minors. It would include provisions to help deter illegal immigration, prevent chain migration, and bar benefits for parents of children who are pursuing legal status.

It requires all applicants to have a high school diploma, pass an extensive criminal background check, and prove they arrived in the U.S. before June 15, 2012, and before their 16th birthday.

Applicants also must pay off any existing tax liabilities or enter a repayment plan with the IRS. An applicant who meets all those

requirements must agree to pursue at least one of the following:

- Serve honorably in the military for at least three years.
- Earn a postsecondary or vocational degree.
- Maintain gainful employment for 48 out of 60 months.

If the applicant meets those obligations, pays taxes, and maintains a clean criminal record, then he or she becomes eligible to renew conditional status for another five years.

After 10 years of meeting those requirements, the applicant is eligible to become a lawful permanent resident.

For those who fail, all bets are off. They would lose their conditional status and could be deported.

Many of my friends on the Right initially called the SUCCEED Act amnesty. In his initial press conference, Tillis answered his critics, saying, "I would not vote for this bill if it was not paired with border security."

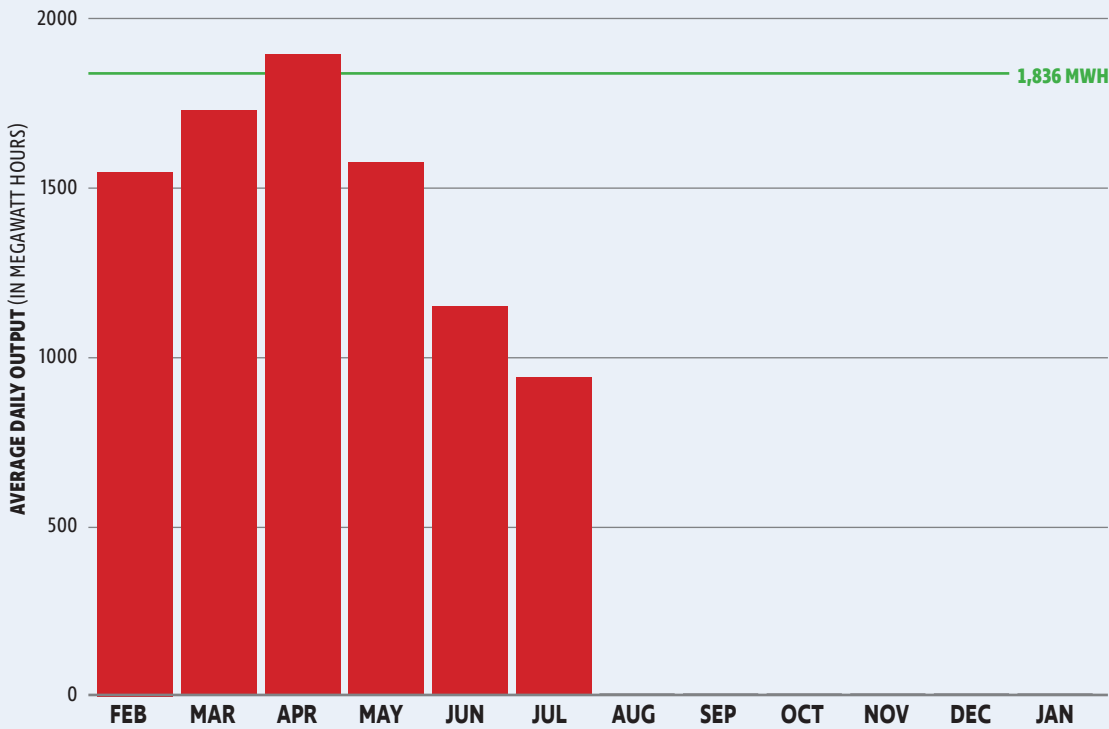
The SUCCEED Act, in my view, is a great opening bid in the immigration debate and worthy of serious discussion and consideration.

Marc Rotterman is host of "Front Row" on UNC Public Television and The NC Channel. Follow him on Twitter @FrontRowmarc.

CHARTS AND GRAPHS

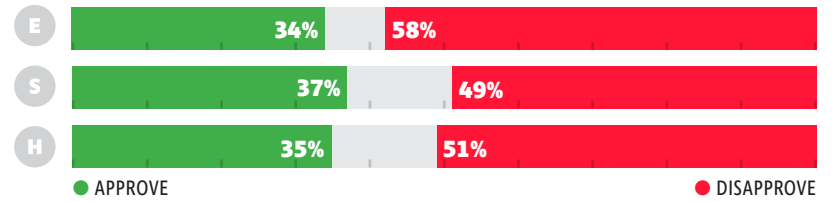
Amazon Wind Farm - Wind Meter

The operator of the 208-megawatt Amazon Wind Farm near Elizabeth City has said it will generate 670,000 megawatt hours annually, or about 1,836 MWh each day. February 2017 was its first full month of operation.

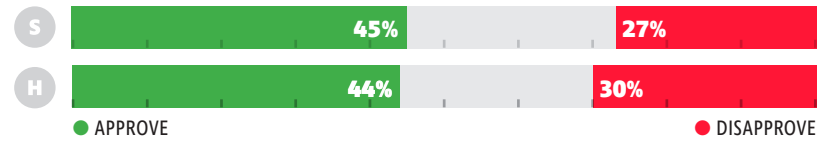


SOURCE: U.S. Energy Information Administration

PRESIDENT DONALD TRUMP'S APPROVAL RATING



GOV. ROY COOPER'S APPROVAL RATING



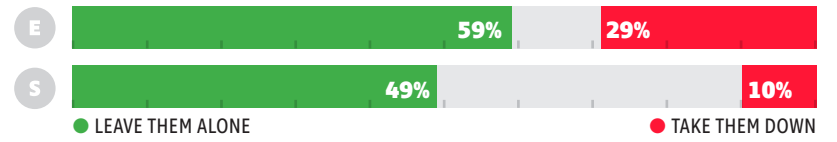
SEN. RICHARD BURR'S APPROVAL RATING



SEN. THOM TILLIS' APPROVAL RATING



CONFEDERATE MONUMENTS



E ELON UNIVERSITY S SURVEYUSA H HIGH POINT UNIVERSITY

Polls were taken in late September and early October. The Elon University poll sampled 931 registered voters and had a margin of error of +/- 3.2 percent. Spectrum News surveyed 800 adults—including 680 registered voters—with a credibility interval of +/- 3.8 for the SurveyUSA poll. High Point University had a margin of error of +/- 4.9 percent and surveyed 404 adults. All three polls called respondents on a landline or cell phone.

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