

# Timeline of Pandemics

We take a look back at some of the most catastrophic pandemics to have ever plagued the earth.

**PAGE 10**



## QUARANTINE

The practice of quarantine, as we know it, began during the 14th century to protect coastal cities from plague epidemics. Ships arriving in Venice from infected ports were required to sit at anchor for 40 days before landing. This practice, called quarantine, was derived from the Italian words quaranta giorni, which mean 40 days.

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# CAROLINA JOURNAL

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## Restaurants struggle as governor dishes out scraps of lockdown relief



**KARI TRAVIS**  
ASSISTANT MANAGING EDITOR

Angie Mikus was cooking a pot of spaghetti sauce in her kitchen March 17 while Gov. Roy Cooper, somewhere in his Raleigh offices, finalized the decision to close restaurants and private bars across North Carolina.

Mikus, the owner of Angie's Restaurant in Garner, was still reeling from a gloomy conversation with the owner of a local catering business. Profits in the area were wilting as COVID-19 turned its heat toward North Carolina's economy.

"I just had a feeling. I could feel it coming," Mikus told *Carolina Journal*.

During the first wave of executive orders that spanned March, April, and May, Cooper shut down restaurant dining, allowing

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# THE COST OF SOCIAL DISTANCING

## DEPRESSION AND ANXIETY

**PAGE 8:** The shutdown has resulted in spikes in depression, anxiety, and deaths of despair caused by suicide, domestic abuse, and substance abuse.

## HOSPITALS LOSE BILLIONS

**PAGE 8:** Even health care isn't immune to the economic devastation. Multiple hospitals have furloughed and laid off workers and cut salaries or benefits.

## DELAYED SURGERIES

**PAGE 9:** It could be months before some patients get care after the coronavirus temporarily froze almost all elective treatments unrelated to the virus itself.

## ROOTS OF SOCIAL DISTANCING

**PAGE 11:** The concept of social distancing dates to some of the earlier known plagues which devastated Europe and Asia during the 14th and 15th centuries.

## SHERIFF CLOSING BARS

**PAGE 11:** Bars are not permitted to open under Gov. Roy Cooper's most recent order and local law enforcement is making sure businesses stay closed.

## WHAT WILL SCHOOLS DO?

**PAGE 12:** Public health and education officials have been working to determine what the school year will look like, and whether it will be safe to open to in-person instruction.



**Pandemic cuts into meat supply**  
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**Interview:**  
**Casey Mulligan**

Professor of economics at the University of Chicago and former chief economist for the White House Council of Economic Advisers.

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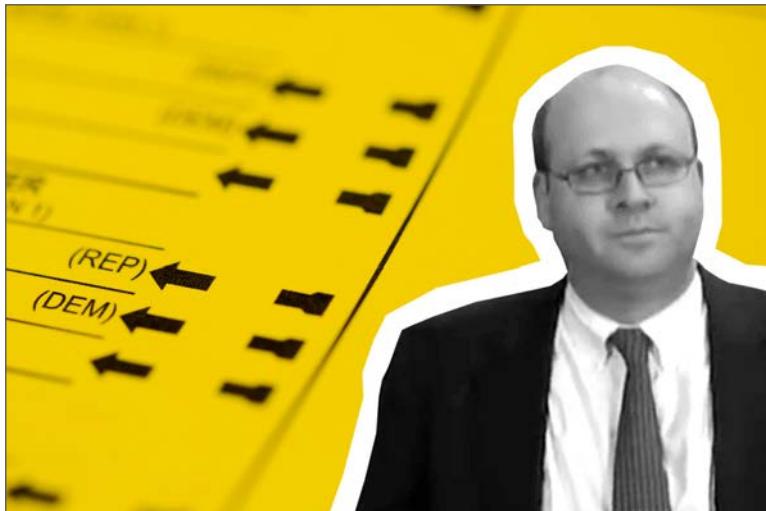
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FROM THE PUBLISHER

## One lawyer's dream come true: Getting Democrats elected



Marc Elias, the high-profile Washington, D.C., political operative with a law license, has one goal — getting Democrats elected to office. A crucial 2020 election and coronavirus have Elias believing he's got an opportunity to put North Carolina in the win column for Democrats with expanded mail voting.

Elias, who the *New York Times* describes as "one of the most formidable election lawyers in the country, and arguably one of the most influential of unelected Democrats in Washington," represented Hillary Clinton's failed 2016 presidential campaign

and has been at the center of the discredited Steele dossier.

N.C. voters may remember that Elias represented then-gubernatorial candidate Roy Cooper during the 2016 recount, which resulted in a Cooper victory, and most recently when he represented Democrat congressional candidate Dan McCready, who almost captured North Carolina's deep-red 9th District. Ultimately, Republican Dan Bishop won a special election contest after the original 2018 results were set aside because of absentee ballot improprieties.

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### COMMENTARY BY JOHN HOOD



## Education debate need not be vicious

North Carolina's economy is opening after nearly two months of lockdown. I wish the reopening was faster, broader, and more reflective of the varying conditions across the state. I recognize others strongly disagree. But at least the question of whether to begin rebuilding our businesses and restoring our freedoms has now been answered in the affirmative.

Which still leaves many other critical questions unanswered.

For state policymakers, few decisions will be as challenging, or as broadly consequential, as those involving elementary and secondary education. For many

North Carolina parents, Gov. Roy Cooper's stay-at-home order wasn't the event that upended their lives. That had already happened when their children's schools closed. Their child-care options dwindled and then disappeared, leaving no option for many other than working from home so they could watch their kids.

Although many educators made heroic efforts to come up with stop-gap content online, parents soon realized they would have to become their children's main teachers for the rest of the school year, a task for which many parents felt

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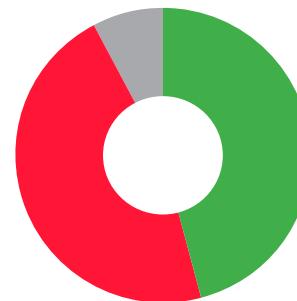
## COVID-19 and Political Leadership



RESPONSE TO DISASTER. Gov. Roy Cooper and President Donald Trump listen at a briefing on Hurricane Florence, Sept. 19, 2018, in Havelock.

### Trump Response

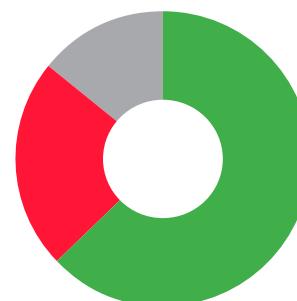
Do you approve or disapprove of President Trump's handling of the federal government's response to the coronavirus outbreak in the U.S.?



- APPROVE .....45.9%
- DISAPPROVE .....46.4%
- NOT SURE .....7.7%

### Cooper Response

Do you approve or disapprove of Gov. Roy Cooper's handling of the state government's response to the coronavirus outbreak in North Carolina?



- APPROVE .....63%
- DISAPPROVE .....22.9%
- NOT SURE .....14.1%

### Trump Reliability

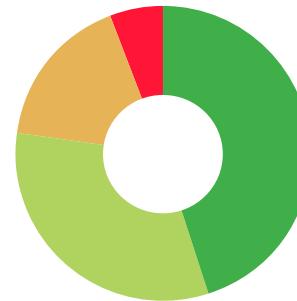
How much trust do you have in President Trump to provide reliable information on the coronavirus?



- A GREAT DEAL OF TRUST .....32.3%
- A FAIR AMOUNT OF TRUST .....17.2%
- NOT MUCH TRUST .....16.4%
- NO TRUST AT ALL .....34.2%

### Cooper Reliability

How much trust do you have in Gov. Roy Cooper to provide reliable information on the coronavirus?



- A GREAT DEAL OF TRUST .....45.1%
- A FAIR AMOUNT OF TRUST .....32.2%
- NOT MUCH TRUST .....16.9%
- NO TRUST AT ALL .....5.8%

The East Carolina University Center for Survey Research surveyed 1,111 registered N.C. voters May 7-9. Instead of a margin of error, the poll has a credibility interval of plus or minus 3.4%.

## QUICK TAKES

# Sunshine Amendment could test lawmakers' commitment to transparency

**N**.C. Senate leaders say they value government transparency — especially given the COVID-19 pandemic. A bill recently filed in the House presents an opportunity for those senior officials to show commitment to the state's "sunshine laws."

House Bill 1111, Sunshine Amendment, would make access to public records and meetings a constitutional right in North Carolina. Under state law, public meetings must be noticed and open to any resident who wants to attend. Similarly, public records like emails, financial reports, and other official documents must be available to the public. H.B. 1111 would add those protections to the state's constitution.

If H.B. 1111 passes the legislature, it would be sent before voters in November. The bill is similar to the famous Florida "Sunshine Amendment," which was ratified by that state's voters in 1992. The provision broke ground, becoming the first constitutional amendment of its kind in the United States.

North Carolina has the opportunity to follow suit, and the timing couldn't be more appropriate, said John Bussian, a media lawyer



who represents the N.C. Press Association and *Carolina Journal*.

When COVID-19 spread into North Carolina and Gov. Roy Cooper ordered a total shutdown of all nonessential businesses, in-person meetings transitioned online. Video calls, conference calls, and virtual news conferences became the norm.

Public meetings evolved, and so the law evolved with it.

Today, North Carolina's pub-

lic meetings and records laws have been amended to allow remote and virtual gatherings during a statewide emergency, such as that presented by the pandemic. Under new rules, government bodies are required to livestream audio or video of virtual meetings, use roll call votes, and identify members by name. Any chats, texts, instant messages, or emails exchanged among members of a public body during virtual meetings are now

considered public records.

"Given the light the virus crisis has shed on the need for government accountability — and the need for the government to be up-front with people — there couldn't be a better time for the Sunshine Amendment to be put on the ballot," Bussian told *CJ*.

H.B. 1111, sponsored by Reps. Mitchell Setzer, R-Catawba, and Stephen Ross, R-Alamance, doesn't yet have a Senate counterpart. *CJ* reached out to Setzer's office via email May 19, seeking comment on who in the Senate might support the legislation. Setzer didn't immediately respond.

A few statements from Senate leaders May 18 indicate the subject is important to those who could give the bill a pathway.

Senate leader Phil Berger, R-Rockingham, in late May held a news conference in the legislative auditorium, providing marked seats to create social distance among reporters. All journalists present could step up to a microphone and speak with Berger if they wished.

"It's nice to be able to take questions and allow follow-ups from you all today," Berger said during

his opening remarks. "Transparency and accessibility are necessary during times of crisis. Unfortunately, that's been missing from the executive branch during this time."

Cooper has prohibited members of the media from attending news briefings in person to prevent the spread of COVID-19. During his time as state attorney general, Cooper, a Democrat, championed public records and open meetings laws, even releasing a handbook on the topic. But when reporters phone into news conferences, Cooper's staff screens the calls to decide who gets through, and who doesn't. *Carolina Journal* is nearly always blocked from asking the governor questions.

Transparency isn't partisan, and H.B. 1111 is designed to be impartial, Bussian said. Simply put, the bill is a constitutional assurance of government transparency for every North Carolinian.

"It's a good, neutral start to a long-range effort to improve open government law in North Carolina," Bussian said. "It's about everybody."

*From staff reports*

## Public Affairs, Policy Issues & Perceptive Commentary

# FRONT ROW

HOST: Marc Rotterman

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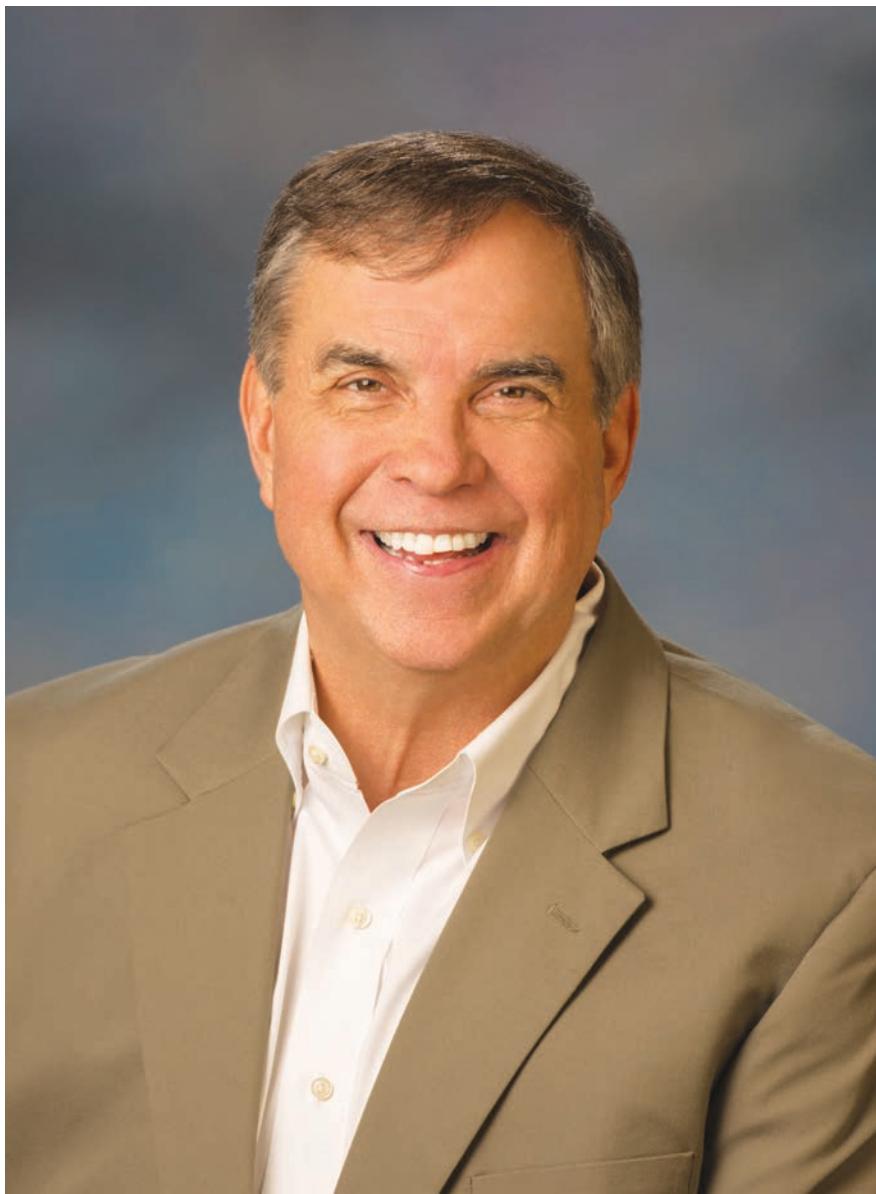
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# COVID-19

## The N.C. General Assembly in May passed two bills dealing with fallout from COVID-19

BY LINDSAY MARCHELLO &  
KARI TRAVIS

The General Assembly's 2020 COVID-19 Recovery Act was separated into two sections. House Bill 1043 covered money, and Senate Bill 704 addressed a variety of policy changes. The bills were a compromise between the House and Senate after a couple days of negotiations behind closed doors. Both passed unanimously May 2 and were sent to Gov. Roy Cooper, who signed them.

"This recovery and relief bill is the product of bipartisan collaboration to help North Carolinians return to their daily lives," said House and Senate leaders in a news release.

Initially, the House wanted to spend \$1.7 billion. The Senate wanted \$1.3 billion. The final total came to about \$1.6 billion, which will be appropriated from the \$3.5 billion the federal government made available to North Carolina through the Coronavirus Aid, Relief, and Economic Security Act.

As of press time, the Senate was still awaiting federal changes to guidance about how North Carolina can spend roughly \$470 million provided under the CARES Act. About \$300 million is set to go to the N.C. Department of Transportation, \$150 million would go to local governments, and \$20 million would offset lost receipts in other state agencies — payments like admission fees, memberships, and hunting licenses. Both pots are usable only if Washington, D.C., leaders change the rules to allow North Carolina to spend the money on gaps left by unpaid and late taxes. Another \$150 million is in a reserve for local governments.

Under H.B. 1043, the University of North Carolina System and the N.C. Community College System will get \$44 million and \$25 million, respectively, for online learning and other COVID-19-related expenses. Private colleges and universities get \$20 million.

About \$70 million will pay for "continuity of state operations," including overtime pay for staffers at prisons, mental health centers, and veterans' homes. Some of that money will be used to pay for a call center for the N.C. Division of Employment Security, which has received claims from about 950,000 people since March 15.

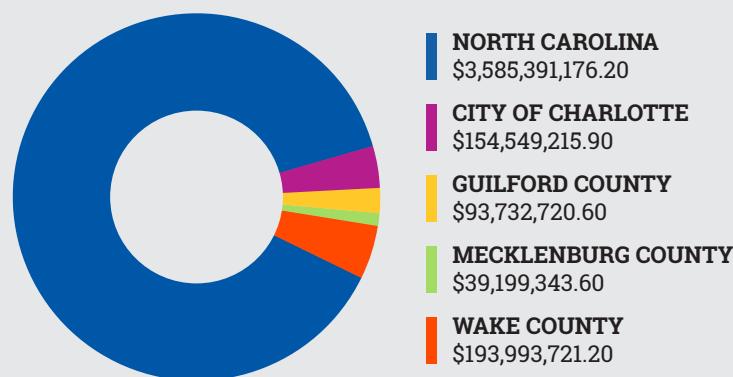
Small businesses will get the boost Senate members wanted, with \$125 million appropriated to The Golden LEAF Foundation for loans to companies with fewer than



**BUDGET SHORTFALL.** State Senate leader Phil Berger, R-Rockingham, said the state budget is a top priority for lawmakers. North Carolina is facing a shortfall of billions of dollars due to delayed or unpaid taxes.

### CARES Act Payments to North Carolina and Eligible Units of Local Government

The federal government made \$3.5 billion available to North Carolina through the Coronavirus Aid, Relief, and Economic Security Act. About \$500 million was made available to local governments in the state.



SOURCE: U.S. Department of the Treasury

100 employees. The House originally proposed \$75 million for that purpose.

The House ended up getting some of the money it wanted for electronic devices for students and teachers, cybersecurity, school health, and internet connectivity.

The House wanted to spend \$40 million on Medicaid services, but that provision was dropped from the final agreement. It does boost provider payments by 5%, on top of a 5% increase DHHS already planned.

About \$9 million for broadband internet was included in the final package.

The House still got money for rural, teaching, and general hospitals in the compromise bill, though the amounts were lower than what the House originally appropriated. The House wanted \$75 million for rural hospitals, and \$25 million for teaching and general hospitals. They ended up getting \$65 million and \$15 million for those categories, respectively.

The N.C. Community Health Centers Association will get \$5

### Small businesses will get the boost Senate members wanted, with \$125 million appropriated to The Golden LEAF Foundation for loans to companies with fewer than 100 employees.

million the Senate wanted. Rural and underserved communities will get \$50 million — closer to the \$61 million the Senate wanted compared to \$25 million from the House.

Wake Forest University will get \$20 million for antibody testing. The project was a priority for both the House and the Senate.

Money wasn't the only point of contention. The two chambers disagreed on policy, too.

The House passed a provision that would have allowed restaurants to sell cocktails with takeout orders, but the measure didn't survive negotiations.

Lawmakers were trying to reach "broad consensus" for all parts of the bill, said Pat Ryan, a spokesman for Senate Leader Phil Berger, R-Rockingham. The takeout provision for cocktails didn't pass that test, so it was nixed.

"I'm disappointed, but will keep trying when we're back in session in a few weeks or a month," tweeted Rep. Chuck McGrady, R-Henderson. McGrady has long advocated easing alcohol regulations in North Carolina.

During committee debate, Sen. Jay Chaudhuri, D-Wake, questioned the Senate's decision to bar a provision for takeout cocktails. It's a common-sense provision for businesses to make money, Chaudhuri said. The profit margin on alcohol sales is sizable.

The provision belonged in another bill, said Sen. Brent Jackson, R-Sampson, and not in the COVID-19 relief package.

Provisions allowing a temporary, targeted expansion of Medicaid failed to make the cut. The original House bill expanded Medicaid coverage to people making less than 200% below the poverty line to receive COVID-19 treatment.

The House and Senate reconvened May 18 for the legislature's 2020 short session, which was ongoing as of press time. The state budget is a top priority for lawmakers, said Senate leader Phil Berger, R-Rockingham, since North Carolina is facing a shortfall of billions of dollars due to delayed or unpaid taxes. A May 22 report from the General Assembly's Fiscal Research Division showed tax collections for the 2019-20 fiscal year are down \$1.64 billion. The number is even more bleak for fiscal year 2020-21, with a shortfall of \$2.57 billion.

"The global coronavirus pandemic has sent the economy into a recession unlike anything seen before," the report says. "Forecasts predict U.S. [gross domestic product] to drop by 7%-10% this quarter, compared to a 4% decline during the Great Recession."

The Senate is still optimistic that guidelines for the CARES Act will change to allow North Carolina to use some of its remaining \$2 billion from the federal government to fill budget gaps, Berger told *Carolina Journal* during a May 18 news conference.

A bill recently filed in Congress would give states that flexibility. But there's no sign of progress just yet, Berger said.

"What we need in North Carolina is not necessarily more dollars in the state, but the flexibility with the dollars that are here so that we can make sure that our normal budgetary items can be met," Berger said.

# HIGHER EDUCATION

## UNC board votes to keep tuition, fees flat for coming school year

BY KARI TRAVIS

The University of North Carolina System won't raise tuition and fees this year while students and their families struggle to stay financially afloat amid the COVID-19 pandemic.

That's a good start, one expert says, but UNC should use this time to reconsider its approach to affordable higher education.

In an action-packed meeting May 20, the UNC Board of Governors unanimously voted to keep tuition and fees flat for the 2020-21 school year. It was a switch from conversations held a few months ago, when the board was considering an average tuition hike of 2.7% for new resident undergraduates. They were also looking to raise mandatory student fees an average of 2.4%. But when the coronavirus hit North Carolina, crippling its economy and sending hundreds of thousands of people to the unemployment office, board members decided against raising prices, said BOG Chairman Randy Ramsey.

"We take tuition and fees very seriously," Ramsey told *CJ* during a news conference after the meeting. "We try to thoughtfully consider how this is going to affect people."

"We believed the people of North Carolina had enough burden."

The decision to keep tuition and fees flat this year is a good one, said Joe Coletti, senior fellow for fiscal and tax policy at the John Locke Foundation. But UNC should continue to cut costs — even when not facing a crisis.

"If UNC ends up with more online classes, schools may even need to reduce tuition this year," Coletti said.

In North Carolina, affordable higher education is a constitution-



"WE TAKE TUITION AND FEES VERY SERIOUSLY." Chairman Randy Ramsey of the University of North Carolina System Board of Governors speaks during the Jan. 17 BOG meeting.

al right for residents, and several cost regulations are in play. In addition to passing NC Promise in 2016 — a program slashing tuition at three UNC schools — the General Assembly capped student fee increases at 3% and enacted fixed tuition for resident students who complete degrees in four years.

UNC owes it to residents to keep college affordable, said board member Marty Kotis, and the system should consider raising tuition and fees for out-of-state students as a way to defray costs for North Carolinians.

That's something UNC may consider in the future, UNC interim President Bill Roper said.

For now, system employees are working around the clock to move UNC past the pandemic and into the fall semester, Roper said.

"We are totally focused on how to serve North Carolina while spending less," Roper said in an address to board members.

Roper, the former director of the Centers for Disease Control and Prevention and CEO of UNC Health Care, said he's optimistic fall classes will open on campus. But questions about format linger.

Will two students be assigned to each dorm room? Members asked that question during committee meetings. How will classes be formatted?

What will revenue look like?

"We really won't know these things until we open in August," Roper told BOG members.

One thing is certain. With leaders of the General Assembly projecting shortfalls of \$4 billion in the state's budget for next year, the university will be short money.

The state has fallen behind on income due to a delayed tax filing deadline of July 15. While North Carolina has enough money to make it through the end of this fiscal year, lawmakers are still waiting to see what the final tally will look like for 2020-21.

Where might UNC cut spending? *CJ* asked Roper. And what do UNC's revenue shortfalls actually look like?

"We're intently working on those very matters," Roper answered, "but I'm not ready to talk about what the changes in revenue and changes in expenses will be."

It'll likely be July before the university sees final numbers, Roper told *CJ*.

UNC can't rely on more state assistance to make up for lost money, JLF's Coletti said, because universities are already raking in significant help from federal and state governments. UNC brought in \$180 million in direct support under the federal Coronavirus Aid, Relief, and Economic Security Act. The system is getting part of another \$96 million from the federal government through Gov. Roy Cooper's discretionary fund. The system was awarded another \$68 million to support its Historically Minority Serving Institutions and a handful of other campuses.

Earlier in May, the system received \$44.4 million as part of North Carolina's COVID-19 relief package. That money is for online learning, sanitation, and other pandemic-related expenses.

North Carolina's \$4 billion shortfall means UNC must make cuts, Coletti said. Noninstructional employees should face cutbacks. Salaries for the highest-paid administrators may need to be reduced.

"[UNC] should also eliminate newly created degrees and accelerate the consolidation and discontinuation process," he said. It's a good time to think outside the box when it comes to higher education, he concluded.

"UNC schools can use their recently gained experience with online education to increase distance offerings and improve on-campus courses at lower cost," Coletti said. "Schools may also be able to expand enrollment."

The UNC System's limit on out-of-state students, now capped at 18%, could also be reconsidered, Coletti said.

"That may be helpful in this situation because there is less revenue at risk if international or other nonresident students are slow to return."

At the end of the May 20 meeting, BOG member Tom Fetzer, whose name is tangled up in several board controversies, resigned his position, effective immediately. Fetzer is a lobbyist, former Raleigh mayor, and long-time Republican activist and consultant.

Fetzer said he's leaving the board to focus on homeschooling his five children. *CJ* asked Ramsey if there was any other reason for Fetzer's resignation. Ramsey said he wasn't aware of any other issues with Fetzer.

"He was a spirited member of our board."

"I really don't have anything else to say about it," Ramsey said when another reporter repeated the question.

NORTH CAROLINA

# BUDGET IN PICTURES

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# STATE GOVERNMENT

## DOT overspending blasted by state auditor

BY JULIE HAVLAK

Lawmakers blasted the N.C. Department of Transportation for careless overspending, suggesting the DOT is using the coronavirus to “cover up” irresponsible cash management.

The Senate Transportation Committee used a meeting May 20 to lambaste DOT for overspending hundreds of millions of dollars. The agency was mired in financial problems before the outbreak. The coronavirus has worsened existing budget shortfalls.

“It seems that DOT continues to not take responsibility for the mishandling of contracts and is attempting to use the coronavirus crisis as their excuse for their financial situation. This is nothing new,” said Sen. Tom McInnis, R-Richmond.

The department overspent its budget by \$742 million in fiscal 2018-19, says a May audit report. The department says COVID-19 sapped another \$300 million from its accounts, draining funds from the gas tax, the highway use tax, and Division of Motor Vehicles fees.

But State Auditor Beth Wood said much of the department’s cash problems are self-inflicted. She asked lawmakers to ensure that DOT used better forecasting and stronger oversight, especially over

### BY THE NUMBERS

**\$742 million**

North Carolina Department of Transportation exceeded its budget by \$742 million in fiscal year 2018-19.

the \$4.8 billion advanced construction program.

“We have some serious financial issues having to do with DOT, and they’ve been exacerbated by COVID-19 and our economy,” said Sen. Jim Davis, R-Macon.

The agency announced it could furlough the entire department in phases, cutting hours from as many as 9,400 employees across the state. Executive-level management began cutting hours May 16, and the rest of its work force could be furloughed starting May 30.

This isn’t the first time the department’s cash problems have cost jobs. DOT suspended 900 projects last summer, throwing the construction industry into chaos and triggering hundreds of layoffs.

The department failed to base its budget on actual cost estimates for projects. Nor did it monitor or enforce its spending plan at DOT’s 14 highway divisions. The report said DOT overspent its \$5.94 billion budget by more than 12%.

The department knew it was

digging itself into a budget hole in November 2018, but it never slowed spending, said Wood.

Lawmakers asked Wood whether Gov. Roy Cooper was aware of problems in DOT. She said she didn’t know. She hasn’t received any feedback from the governor on the audit.

“The secretary is where the buck should stop,” Wood said, referring to Transportation Secretary Eric Boyette.

Wood dismissed the department’s explanation for overspending, which blamed disasters and compensation under the Map Act.

For decades the Map Act allowed DOT to restrict use of private property within designated highway corridors. The department did not compensate affected property owners.

The law was declared unconstitutional, with courts ordering DOT to pay landowners. Those payments were responsible for only \$13 million of overspending, Wood said.

Meantime, the department failed to create a realistic budget for disaster spending.

DOT allocated \$50 million for disaster spending each year since 2015 — despite breaking that threshold every year. The DOT racked up \$171 million in disaster spending in 2018 and \$296 million in 2019 — almost six times more



**The department failed to base its budget on actual cost estimates for projects. ... The report said DOT overspent its \$5.94 billion budget by more than 12%.**

than budgeted, says the report.

“The number that’s been set aside has never changed,” Wood said. “When they became aware there weren’t enough monies, they did not reject any contracts. There were no midyear budget reductions.”

Department officials argued they can’t predict the severity of disasters, noting that disaster money can’t be spent on anything else once it’s earmarked for relief.

Wood worries the state could be on the hook for the \$4.8 billion balance in advance construction spending. The spending relies on reimbursement from the federal government, but that reimbursement isn’t guaranteed. Wood asked for stronger oversight.

“The information being provided is sort of sketchy,” Wood said.

“How far does all this stretch out? Before the pandemic, we were comfortable that the federal money would keep coming. But you can only get so far stretched out, and the risk gets higher and higher.”

The department’s internal auditing system isn’t working, Wood said.

“There really is nobody overseeing the spending plan outside of the DOT,” Wood said. “Who’s going to provide this oversight?”

Some members defended the DOT, saying the General Assembly shares some blame. They cited the need for a bipartisan solution. Others were more skeptical.

“We’ve bailed out the DOT time and time again,” said Sen. Carl Ford, R-Stanly. “Every year, there’s always an excuse of why we’ve got to have more money. It’s because they don’t manage the money they have.”

“We appreciate the work of the auditor’s staff,” DOT spokesman Steve Abbott said in an email to *CJ*. The department was scheduled to respond to Wood’s audit in a later presentation for state lawmakers.

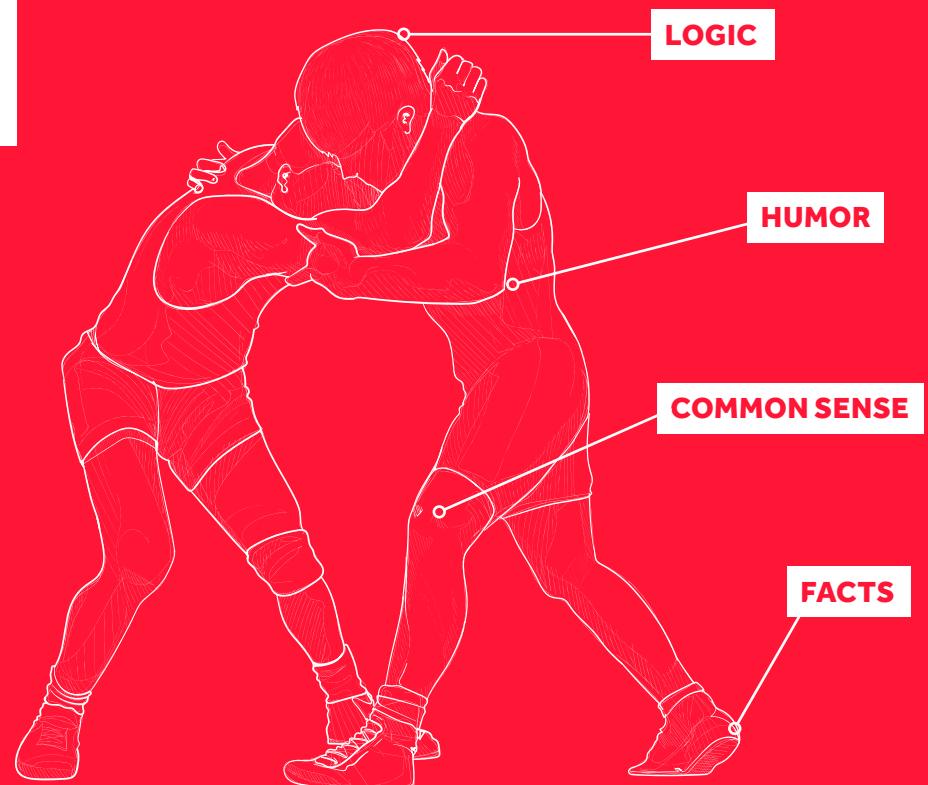
“[It] should provide more insight and answer many questions. In the meantime, the department will continue to work to address unprecedented challenges and serve communities across North Carolina.”

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# COVID-19

## Pandemic cuts into meat supply

### Processing work slows throughout N.C., country

BY JOHN TRUMP

**B**uying meat, in our recent and collective memories, hasn't been a problem.

Whether from a big, chain grocery store, a farmers market, or boutique butcher shop.

If a customer wanted a certain cut of meat, or a certain protein, they found it. Usually with little effort, if any at all.

The pandemic has changed all that. Supply is short, and store shelves, though not empty, are hardly full. It's as if a sale was announced but only to a chosen few, who swooped early and loaded carts with piles of meat, all for themselves.

Meat — chicken, beef, and pork — is indeed in short supply, for myriad reasons. Consumer demand has shifted, from eating meals in restaurants to cooking at home. COVID-19 has disrupted complex supply chains. Animals are outgrowing their enclosures and become too expensive to feed and to care for. Farmers contemplate “depopulation,” which is someone's idea of a kinder way of saying “killing excess animals” — in other words, valuable commodities.

North Carolina has some 3,200 processing plants, and all remain open. But workers who once stood shoulder to shoulder now stand yards apart, at the same time adhering to federal guidelines for temperature screenings and face coverings. President Trump has taken steps to ensure meat-processing plants remain open and issued an executive order to that effect, although the health and safety of the workers remain paramount, consistent with Centers for Disease Control and Prevention guidelines.

Still, workers in the heavily regulated industry worry about getting sick. Work has slowed.

“For the most part, plants are operating, but at a very limited capacity,” Steve Troxler, N.C. agriculture commissioner, told an online audience in May as part of a weekly Shaftesbury Society event by the John Locke Foundation.



**N.C. AGRICULTURE COMMISSIONER:** The pandemic has helped teach people about how we get our food. Many people never paid much attention before, as long as the shelves stayed stocked.

“We've got to build the confidence of these workers ... that this is as safe as any place they can go to work.”

Keeping a fluid supply of personal protection equipment, says Troxler, is an ongoing challenge, for workers and farmers alike.

No plants have closed — except for one partial closure — but, as Troxler intimated, a plant can't operate without workers, no matter how many executive orders or decrees. Troxler expected that 2020 would be a year of recovery for farmers.

That, obviously, won't happen, and the reasons are many. From tariffs and trade wars, from hurricanes, and from falling prices on commodities, which are now crashing at record rates.

“We're looking at a way to get through this once again,” Troxler said. “This is a protein state,” an agricultural machine particularly dependent on the pork and protein industries.

At its base, the meat-supply issue ends with a simple answer to a complex problem.

Troxler says consumer demand for food has shifted almost wholly to grocery stores. Fifty percent of all meals eaten in the U.S. are — or were — eaten outside the home, Troxler said. No more school cafeterias, or university food halls. No more concerts, festivals, or sports.

Grocery stores couldn't keep up with demand. That's how the supply problem started, anyway.

COVID-19 slowed production at processing plants — where animals

are slaughtered, butchered, and packaged — across the country, and some, including a mammoth pork processor in South Dakota, closed after outbreaks of the virus.

No processing, no food, Troxler says. It does, indeed, come down to just that.

*Reason* magazine in a story recently called on Congress to pass new rules on government meat processing and inspections, and to eliminate burdensome ones, which stand between farmers and grocery stores. The Wholesome Meat Act, *Reason* points out, requires that all commercially available beef and pork be slaughtered and processed either in U.S. Department of Agriculture-inspected facilities or in state facilities that enforce processes “equal to” federal rules.

“The law, which was intended to boost cooperation between the USDA and state governments,” *Reason* writes, “applies both to interstate and intrastate sales.”

A rancher, the story says, who wants to sell 100 pounds of ground beef to a local food co-op must follow the same rules as a giant producer that slaughters tens of thousands of hogs or head of cattle each day and ships their meat to states across the country.

Loosening the rules would help, such as passage of the PRIME Act, *Reason* argues. It would allow each state to set its own rules for slaughtering livestock and processing its meat, as long as that meat is sold only within the state's borders.

“With regulatory and cost burdens so high,” says *Reason*, “many

farmers and ranchers instead choose to utilize much smaller, local ‘custom’ slaughter facilities and abattoirs outside the USDA inspection regime. Those that do so may only sell an interest in a live animal, which forecloses on the option to sell much smaller portions — such as steaks — to grocers and others.”

Daren Bakst is the Heritage Foundation's senior research fellow in agricultural policy. What we've seen, he says, is a drastic change in the nature of consumer demand for food, and from where that demand is coming. Dairy farmers are dumping milk, and farmers are leaving vegetables in the field to rot.

“It's because there are no destinations for their product anymore because of this changing nature of the demand,” Bakst told the Shaftesbury audience.

The market will adapt, he said. Now, however, the issues with meat and poultry are connected primarily to virus outbreaks in the processing plants.

“I think we're starting to realize how complicated the food supply chain is ... how many people are involved and how many people are on the front lines,” Bakst, a former JLF researcher, said.

The PRIME Act, he says, would give farmers and ranchers more flexibility by using smaller, custom slaughterhouses to process their meat and for the farmers to sell it commercially. This may not have a big effect, Bakst says, because of limited capacity, although wide-sweeping federal regulations certainly have hindered competi-

tion, and looser rules could change marketplace dynamics to better serve producers and consumers.

In North Carolina and other states, meat producers can take livestock directly to processing facilities. The meat is processed under USDA or state rules for inspection and then sold directly to the public. State-inspected meat can be sold in North Carolina only.

The Talmadge-Aiken Act of 1962, according to the National Association of State Departments of Agriculture, was intended to achieve federal coverage in remote locations to offset the higher cost of assigning federal inspectors there. It allows states, including North Carolina, to sell nationwide the meat inspected under the act.

The problem facing some 2,000 meat handlers in North Carolina, says Troxler, is the lack of local slaughter and processing facilities, although people have shown interest in setting up the processing facilities, despite the regulatory red tape, including a multitude of environmental and permitting regulations, as well.

Then, says Bakst, there are regulations on truckers, some of which have been waived during the pandemic, as well as rules for restaurants and grocery stores, such as onerous labeling laws. The U.S. Food and Drug Administration has eased some of those laws, too, allowing restaurants, for instance, to sell grocery items. Let's then see whether these regulations make sense after the pandemic, Bakst says.

The pandemic, says Troxler, has helped teach people about how we get our food. Many people never paid much attention before, as long as the shelves stayed stocked.

“I'm really concerned that, after this, we may lose a lot of farmers nationwide,” Troxler said.

North Carolina is coming off four terrible years relating to prices and production, he says. Then came the pandemic, and prices crashed. It's time to take a careful look at things, in North Carolina and throughout the country, said Troxler, who cites one economist who seriously doubts farmers can make any profit this year.

“How are we going to ensure that this food supply returns to normal, and remains normal, as opposed to what we have right now?”

Further, just about 1.5% of the population are farmers providing food, which on one hand speaks to profound efficiency, creativity, and innovation.

But on the other ...

“All of us can't go back to growing food for our families,” Troxler says.

FILE PHOTO

# COVID-19

## Shadows of a pandemic: Depression and anxiety

BY JULIE HAVLAK

The pandemic and ensuing economic devastation could unleash a storm of mental health problems in North Carolina.

Experts expect another, less visible surge to confront the state's health care system — a spike in depression, anxiety, and deaths of despair caused by suicide, domestic abuse, or substance abuse.

"There's a shadow trailing the pandemic and the infections," said Dr. Palmer Edwards, a Winston-Salem psychiatrist. "What comes next is a surge in depression, anxiety, suicide attempts. The mental health community is bracing for that."

A study of the Great Recession estimated the suicide rate rose 1.6% for every percentage point increase in the unemployment rate. The Texas nonprofit Meadows Institute found a 20% jump in unemployment could correspond to the rise of 18,000 suicides and 22,000 overdose deaths across the nation.

But mental health professionals say things aren't so simple. They point out that suicide rates often drop during disasters as communities pull together and emphasize that multiple risk factors usually contribute. They also warn of contagion and remind people that suicides can be prevented.

"At this point, there is absolutely no evidence that suicides will rise," said Betsy Rhodes, American Foundation for Suicide Prevention N.C. associate area director. "This is unprecedented. For this to strike everyone at the same time — we just don't know."

Rhodes is concerned the crisis will spawn more risk factors for



**PSYCHOLOGIST:** "The crisis will worsen class divides. People with the lowest education are either losing their jobs or doing the most dangerous jobs."

suicide — isolation, drinking, domestic abuse, stress, sleeplessness, sedentary lifestyles, substance abuse, and unemployment.

But whatever damage is inflicted by the pandemic, lockdowns, and downturn will be opaque. Quality of life is difficult to measure, and data on suicide rates and overdoses isn't immediately available, said George Loewenstein, professor of economics and psychology at Carnegie Mellon University.

"Economic factors have dramatic mental health consequences," Loewenstein said. "It's going to have, and is already starting to have, a very big impact on quality of life."

The crisis will worsen class divides, as the unemployment rates corrode social mobility. Those with more education and access to technology will escape some repercussions. But those with less will shoulder the worst of the fallout, Loewenstein said.

"Education will probably become a stronger predictor of deaths of despair," Loewenstein said. "So far it looks like the more education you have, the safer you are. ... But people with the lowest education are either losing their jobs or doing the most dangerous jobs."

Edwards worries the crisis could destabilize patients. He has seen unemployed parents stressed by conflicting responsibilities with homeschooling, young adults anxious about their career outlooks, and health care workers worried for their safety.

"People who have anxiety don't have reserves," Edwards said. "There's not 14 more notches they can go up on the anxiety meter. But there's more to worry about these days."

The damage to mental health isn't confined to patients. Health care providers share the pressure and economic uncertainty, after the state canceled elective procedures for weeks and patients became reluctant to visit the office.

Doctors already faced suicide rates far greater than the general population, but the pandemic and economic devastation has increased risk factors for physicians, Edwards said.

"Particularly smaller practices who aren't with hospitals, whose patient volumes have nose-dived. First the order, now the anxiety about going into the doctors' office," Edwards said. "There's a great concern that people are just giving up, that it is having huge effects on their bottom lines, practices are closing."

The crisis could also deepen the rural and urban divide. Rural areas already struggle with shortages of

mental health providers. Almost all the state's counties are health care professional shortage areas under federal standards, and 31 counties didn't have a single psychiatrist.

"We know that a farm crisis has strong effects on the whole family long after the crisis is over," said Scott Marlow, independent consultant for rural advancement. "This was going to be a very difficult year for farm families even without COVID-19. This adds another layer of uncertainty, difficulty, stress."

Farmers already faced uncertain prices, weather, and tariffs. Now some must cope with massive shifts in the food supply chain, fears over viral outbreaks in farmworkers, and dependence on meat plants, Marlow said.

"You cannot separate the financial well-being of a farm from the emotional health of the farmer. They are two sides of a coin," said Robin Tutor Marcom, director of N.C. Agromedicine Institute at East Carolina University. "It's the cumulative effect. ... If you keep taking money out of the bank, pretty soon you're going to be broke."

The severity of damage to mental health will depend on the duration of the downturn and the pandemic itself. Some economists hope for a faster recovery. But most predict economic growth will resemble a "Nike swoosh" that won't return to normalcy until 2022, said Michael Walden, economics professor at N.C. State University.

"This is such a unique situation when the economy is at loggerheads with health," Walden said. "This recession is not going to be cost-free."

## Hospitals not immune from fallout of virus, lockdowns

BY JULIE HAVLAK

**EVEN HEALTH CARE** workers aren't immune to the economic devastation brought by the coronavirus.

Health care providers lost billions during the shutdown that delayed or canceled elective surgeries across North Carolina. The fallout could drive up prices for patients, fuel consolidation, and worsen shortages in rural health care, said Jordan Roberts, John Locke Foundation health care policy analyst.

Multiple hospitals have furloughed and laid off workers and cut salaries or benefits. Hospitals lost an estimated \$1.2 billion to \$1.68 billion per month from mid-March through April, based on estimates by the N.C. Healthcare Association.

Cape Fear Valley Health plans to furlough about 300 employees, and the hospital system isn't alone. Rural hospitals lost \$150 million in the first month of the pandemic.

With elective surgeries canceled and emergency room visits down, hospitals were operating at half capacity for weeks. But they still had to pay fixed costs, said Dr. Roxie Wells, president of Cape Fear Valley Hoke Hospital.

"Surgery is what keeps your hospital afloat," Wells said. "In a rural hospital, the profit margins are breaking even — and that's a good thing in a small, rural community. Going into this, several of our hospitals across the state were actually in the red."

Wake Forest Baptist Health will cut the hours or pay for almost

20,000 employees. Vidant Health has announced furloughs and cuts to salaries and benefits. Atrium Health has reduced nurses' hours. UNC Health saw significant reductions in revenue and higher costs during the pandemic.

"The coronavirus has completely strained our economy, as it has health care systems like ours," said Dr. Julie Freischlag, chief operating officer of Wake Forest Baptist Health in a statement. "As we move forward with these necessary steps, a primary goal is to protect our employees to the greatest extent possible."

Losing elective surgeries decimated hospitals' most lucrative revenue stream, Roberts said.

"The hospital financing model relies on elective surgeries to make

up for what they lose on Medicare, Medicaid," Roberts said. "When private insurance goes away, they lose a good bulk of their income."

Wells worries some jobs will never return if hospitals close. Rural hospitals never saw a surge of patients, but they still must maintain preparations.

"It's difficult because it's almost like you're driving with your foot on the gas and the brake at the same time," Wells said.

The orders temporarily shuttered many ambulatory surgery centers, cutting surgery volumes to 30% of their pre-virus level and forcing many to furlough staff. They have restarted elective surgeries, but financial pressures will remain if shortages and precautions restrict operations.

Primary care and independent practices are among the hardest hit.

"People are not going to see their primary care providers," said Dennis Taylor, president of the N.C. Nurses Association. "It has led to them either furlough or lay off staff to keep their practices open and financially viable."

Patients will eventually pay for independent providers' financial pain, said Roberts.

"When hospitals start to struggle, they will look for mergers and partners," Roberts said. "If hospitals or physicians struggle to make it through this, we're going to see a lot more consolidation. Hospitals will buy up smaller practices or smaller practices, and patients will end up paying more."

# COVID-19

## Another casualty: Those who won't — or can't — seek care

BY JULIE HAVLAK

It could be months before some patients get care after the coronavirus temporarily froze almost all elective treatments unrelated to the virus itself.

When North Carolina paused elective surgeries, it delayed or canceled almost all procedures that happen outside the emergency room. Blood tests, screenings, major surgeries — all were suspended until the ban on elective procedures lifted in North Carolina.

Elective surgeries began to restart in late April and early May. But doctors worry shortages in protective gear, patient fears, financial instability, and a potential backlog of cases could leave people waiting longer for treatment. The restrictions have birthed a new casualty of the pandemic: the health of those who can't or won't seek care.

In late March, Gov. Roy Cooper ordered providers across North Carolina to freeze elective procedures. He hoped to free hospital beds and protective gear for the surge. Health systems resumed scheduling elective surgeries in late April and early May. But it will be months before some patients get treatment that was delayed, doctors say.

Even critical patients are avoiding the hospital.

Hospitals saw a 38% drop in patients with complete arterial blockage in nine catheterization labs across the country, according to a March report published in the Journal of the American College of Cardiology.

North Carolina hospitals shared that “precipitous dropoff” in the number of patients with acute heart attacks. The decline bucks all normal trends during times of disaster and stress, when cardiac problems multiply and emergency visits soar. Even the coronavirus itself can damage the heart muscle, said Asheville cardiologist Rachel Keever.

“Our caseload should be going up, not down,” Keever said. “But people associate the hospital and the ambulance with becoming sick.”

She's had patients with chest pain refuse treatment, while others rejected urgent cardiac procedures. Their fear of the virus could unleash other devastation on their bodies.

“If people don't come in, the ar-



**ONCOLOGIST:** “A year from now, are we going to tally all the deaths that come from undiagnosed heart disease or late diagnosed cancer?”

tery closes, the muscle dies, and the heart as a pump will start to fail,” Keever said. “People avoiding care, sitting at home with their heart attack, can be at increased risk for complications — including the heart muscle dying.”

The lockdowns also temporarily disabled safety checks on high-risk medications — stopping tests that check patients' kidney function and blood content. These tests require protective gear, and shortages could prolong delays.

“There could be harm to some patients,” Keever said. “These aren't useless things, they have value — and they do save lives over time.”

Cancer patients were among those awaiting care. Preventive scans, follow-up visits with specialists, and some surgeries fell within the state's definition of “elective surgeries.” Almost one in four cancer patients reported a delay in their care or treatment in a national survey by the American Cancer Society Cancer Action Network during the shutdowns.

Surgeon Jeffery Singer, an Arizona surgeon and Cato Institute senior fellow, in March had to fight to perform a biopsy on a man in his early



**If people don't come in, the artery closes, the muscle dies, and the heart as a pump will start to fail ... People avoiding care, sitting at home with their heart attack, can be at increased risk for complications — including the heart muscle dying.**

- Rachel Keever,  
Cardiologist

50s to check for lymphoma.

“If I didn't get permission, he wouldn't have his lymphoma diagnosed or treated,” Singer said, “and that was weeks ago. That's just one person. How many millions of people are in the same situation right now?”

Cancer patients are falling through the cracks because of the financial damage shutdowns inflicted

on North Carolina's health care system. Practices have furloughed workers, sometimes leaving them understaffed.

Charlotte oncologist Justin Favaro waits longer to receive diagnostic studies, and some never arrive. Favaro talked to doctors who were running only a tenth of the colonoscopies they performed before the coronavirus.

“It's a big delay in care,” Favaro said. “They're underestimating the long-term consequences. A year from now, are we going to tally all the deaths that come from undiagnosed heart disease or late diagnosed cancer?”

Asheville dentist Callan White was also “absolutely worried” for patients who weren't getting screened for oral cancer because of delays.

“Most situations are benign, but you don't want to be that malignant cancer that isn't getting seen,” White said.

Like Singer, Favaro worried the delays in treatment could hurt people's long-term health.

“This has got to take a toll. We're making a lot of people suffer,” Singer said. “There are cancers where

only 40% of patients make it three years. The odds of surviving the coronavirus are better than that. It really concerns me.”

The delays in preventive care began to breed emergencies. People who suffer most are patients with diabetes and other underlying conditions that make them vulnerable to inflammation, White said.

“I've got a tremendous amount of emergency patients,” White said. “Long term, what's that going to look like for them? We don't know, but it could be a nightmare for physicians.”

Favaro worries patients will remain fearful even after lockdowns lift. He believes some won't return to the health care system as economic devastation dismantles some peoples' coverage and demolishes others' finances.

“The earlier you catch cancer the better,” Favaro said. “The people of this country are scared. They're not doing screenings, mammograms, they're putting things off. When things open back up, I hope they come back in.”

Shortages in protective gear are further sapping doctors' ability to treat patients — and their ability to reopen their practices.

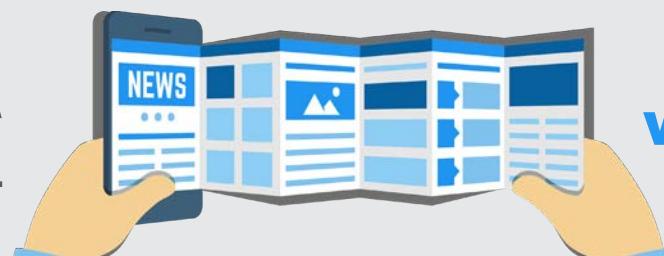
Greenville dentist Robert Tempel says his clinic is still “critically short” in protective gear. His office has been treating emergencies, and he expects to see a backlog of patients seeking routine care and preventive services.

But his ability to treat those patients will be constrained. His practice can manage fewer patients because of disinfecting protocols and protective gear shortages.

“Pretty much everything we do produces an aerosol, and that's how this virus is spread,” Tempel said. “The reality for us is, we can't start back up again until we have personal protective equipment readily available.”

Some patients with less urgent cases can expect to wait months for care.

“For elective surgeries, it will take time to bring the roster up to date. The process is a little slower,” Keever said. “We're being as efficient as we can while still keeping safety in mind. It will take a couple of months for some April and May cases to be treated.”



# SOCIAL DISTANCING

## Restaurants struggle as governor dishes out scraps of lockdown relief

continued from PAGE 1

only takeout and delivery. Stories of permanent closures and financial hardship have cycled through the news since state lawmakers returned to Raleigh's General Assembly complex April 28. When N.C. restaurants were allowed to reopen at 50% capacity May 22, the media portrayed the event as a sort of war zone-esque recovery, where patrons celebrated with hand sanitizer and masks and urban restaurants stringently enforced social distancing.

Indeed, those stories exist. As many as 65% of North Carolina's 19,000 restaurants may not survive the two-month shutdown as the state moves into Phase Two of Cooper's reopening plan, said Lynn Minges, president of the N.C. Restaurant and Lodging Association. But out of the shadows of North Carolina's government and news media, away from the barrage of news conferences and briefings from N.C. Department of Health and Human Services Secretary Mandy Cohen, a different story is unfolding: one where panic over social distancing takes a backseat to something else.

Community.

"What would happen to my business?" Mikus remembers wondering. In March she was braced for impact, developing a plan.

When Cooper announced he was closing restaurant dining rooms, Mikus acted quickly. Each space in her diner's parking lot was spray painted with a number, allowing roughly 30 cars to pull up for food service. Her dining room was converted into a sort of culinary command center, tables bearing paper products, sanitizer, and condiments.

A new sign was lit at the corner of the parking lot. "Angie's Car Hop," it reads.

The diners came in droves — even after Cooper announced a statewide order to stay home. After all, this is Garner, where the roads wind into a rural corner of Wake County and Raleigh traffic thins. Here you get biscuits and sausage gravy and bacon and omelets served up in a Styrofoam box with a note written on top. "Thank you for



**COMMUNITY.** When Gov. Roy Cooper announced he was closing restaurant dining rooms, Angie Mikus, the owner of Angie's Restaurant in Garner, acted quickly. Each space in her diner's parking lot was spray painted with a number, allowing roughly 30 cars to pull up for food service.

CI PHOTO BY DON CARRINGTON

the love!" it says.

No frills. No fancy sauces.

Lots of smiles.

People sit in their cars and eat or set up chairs in the parking lot. They talk. They laugh. Mikus, who makes sure operations are spick and span, comes out to say hello. If you're lucky, you'll even get a visit from Odell, the black and white neighborhood rooster that struts along the side of the road and interrupts traffic at the stoplight.

"Why did the chicken cross the road? To get to Angie's," Mikus joked.

Mikus plans to keep the car hop business going even as other restaurants open their dining rooms. She's been forced to lay off some staffers, but feels lucky. She and her servers don't wear masks. They don't feel the need to.

Still, she wants her customers to feel comfortable. Whatever makes them feel safe. Whatever makes them feel happy.

Whatever keeps them coming back.

Edward King, owner of Ed's Family Restaurant and Catering in Harnett County, holds to the same philosophy. His business, which sits on Angier's East Depot Street, kept up a bustling takeout service over the weeks of shutdown and reopened its dining room May 27. The business is following guidelines for disposable menus. Seating is cut in half.

**Optimism seems pervasive among those who live outside the city — where the air is a little clearer, the sky is a little bigger, and the community is a little smaller.**

There's a basket of handmade masks for sale by King's bulletin board in the entryway. But the owner doesn't wear one. Neither do his customers, who pop in the door at regular intervals to pick up box orders wrapped in plastic bags. King and his staff greet many by name. One diner even totes in a homemade chocolate pie for the staff.

Sure, the shutdown hurt the restaurant's bottom line, King told *CJ* while standing at the front corner of his kitchen, burgers sizzling on the griddle behind him. But regulars kept ordering takeout two and three times a week. Cooper "did what he had to do," King said.

For King, it's not all doom and gloom. Or politics, for that matter. On May 22, while North Caro-

lina's Council of State — a group of the state's 10 elected senior officials — roasted the governor with questions about his arbitrary reopening plan, King was already hours into his workday. The restaurant owner has been in this family business for decades. He's got other fish to fry. Literally.

"The people who sweat this ..." King trailed off, shrugging. "There's not much we can do to change it."

Not much, other than to keep on cooking.

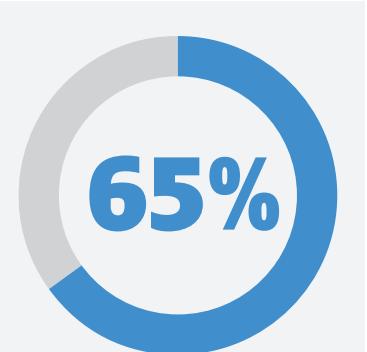
Howard Manning, the owner and chef of Manning's Restaurant in Clayton, was rolling out plans for a June 1 reopening when *CJ* dropped into his establishment May 21.

At the time, the proprietor was hosing down his rooftop patio. The phone was ringing, and two staffers were taking reservations. The restaurant kept a steady stream of takeout orders as the shutdown wore on, Manning told *CJ*. Sales were cut nearly in half, however.

Still, Manning said, he's grateful customers kept coming back.

That optimism seems pervasive among those who live outside the city — where the air is a little clearer, the sky is a little bigger, and the community is a little smaller. Where business feels like a family affair, and everyone knows your name.

Where for some, the cost of social distancing isn't financial. It's personal.



**65% of North Carolina's 19,000 restaurants may not survive the shutdown**

"I'm a hugger," Mikus told *CJ*, tears brimming. "I miss the connection."

These days, the owner mostly greets customers over a rolled-down car window. But she looks forward to a time when the regulations lift. When she can welcome people with open arms.

For now, while state lawmakers convene in Raleigh and develop plans for economic relief, while Cooper defends his three-part reopening plan, and while DHHS Secretary Cohen gives speeches about the importance of "wait, wear, and wash," Mikus is making the best of it.

So are her customers.

"I'm very humbled," Mikus said.

# SOCIAL DISTANCING

## N.C. bars and clubs mix creative strategies in effort to survive

BY KARI TRAVIS

Just off North Carolina's Highway 55 sits a tiny biker bar near the line of Wake and Harnett counties. As you're passing by, you'll see a sign out front.

"Big Daddy's Roadhouse," it reads up top. In large, block lettering, a message is spelled out below for all to see. "And yes — your bar misses you, too."

On May 22, Big Daddy's Roadhouse taped a copy of Gov. Roy Cooper's Executive Order 141 to its door, added pizza to its menu, cut its seating in half, and opened in defiance of rules that exclude private bars from Phase Two of the governor's plan.

Under Cooper's order, only restaurants — businesses that make more than 30% of sales from food — are permitted to reopen dining rooms at 50% capacity during Phase Two, which began May 22. Some N.C. restaurants welcomed diners back on premises. Others chose to stick with takeout and delivery orders.

But private bars like Big Daddy's Roadhouse, which make most of their profits from alcohol sales and require a nominal "membership fee" of customers, were left out of the equation altogether.

That didn't sit well with managers like Stephany Storm, who oversees operations at Big Daddy's Roadhouse. When *CJ* stopped by the



**"YOUR BAR MISSES YOU TOO."** Private bars like Big Daddy's Roadhouse, which make most of their profits from alcohol sales and require a nominal "membership fee" of customers, are not permitted to reopen.

CJ PHOTO BY DON CARRINGTON

establishment to chat just minutes before the bar's 5 p.m. opening, she was visibly nervous.

Yet hopeful.

"We've been left out," she said

of Cooper's reopening plan. "We have no idea what the guidance is."

Storm remembers St. Patrick's Day, when the governor closed all bars to prevent the spread of

COVID-19. The state doesn't allow takeout or delivery for cocktails. Establishments like the roadhouse had no option other than to close. Waiting has been unbear-

able, Storm said. She applied for unemployment benefits from the N.C. Division of Employment Security but is one of the nearly 350,000 still waiting for help. Storm received a \$1,200 check from the federal Coronavirus Aid, and Economic Relief Act.

"That only goes so far," she said.

So the roadhouse reopened that Friday — paying heed to social distancing guidelines and serving food to its customers.

The very next day, an officer from the Wake County Sheriff's Office forced Storm to close. Unlike others who've been penalized for disobeying the governor's orders, she wasn't charged with a Class 2 misdemeanor. The officer was kind, even apologetic, Storm said. Someone had phoned in a complaint about the roadhouse. Otherwise, the officer told Storm he would've left the business alone.

Like bars, restaurants can serve alcohol to customers who don't buy any food, Storm said. It seems only right, then, that bars be allowed to open.

"It pisses me off," she told *CJ*.

Many others in the nightlife and alcohol industry feel the same way.

As of press time, hundreds of private bar and club workers formed the N.C. Bar and Tavern Association. The group was lobbying the governor to modify his executive order, pushing for legislation that treats bars and restaurants equally regardless of food sale percentage, and preparing to file a lawsuit against Cooper.

"I fully believe we can have bars opened next weekend if we continue to unite and keep the pressure on," Zack Medford, the founder of the group, posted on Facebook May 24. Medford is a co-owner of several private bars in downtown Raleigh, including Cogley's Raleigh, Parliament, and Isaac Hunter's Tavern.

Breweries, which Cooper's order originally seemed to exclude from reopening, won a victory May 21 after the N.C. Craft Brewers Guild called for clarification from the governor's office. Distilleries and wineries, too, were allowed to reopen.

Under Cooper's order, "bars" are defined as places "that are not eating establishments or restaurants ... that have a permit to sell alcoholic beverages for onsite consumption ... and that are principally engaged in the business of selling alcoholic beverages for onsite consumption."

"It's blatant discrimination," Storm concluded. "It would be a big difference if restaurants couldn't serve alcohol. It would make it a little fairer to bars."

## The roots of social distancing

BY LINDSAY MARCHELLO

If 2020 has a signature phrase so far, it's "social distancing." The term has become a staple of any discussion of COVID-19, the highly contagious respiratory disease plaguing the world. It refers to the practice of maintaining physical distance between people to prevent the spread of an illness within a community. In many cases, social distancing means staying six feet apart from others while shopping at a grocery store or walking in a park. It means closing schools and businesses deemed nonessential by government officials.

The phrase wasn't part of the common vernacular until the COVID-19 pandemic exploded in early 2020, but the term predates the current public health crisis.

The concept of social distancing dates to some of the earlier known plagues, such as the

Black Death, which devastated Europe and Asia during the 14th and 15th centuries. While people didn't exactly know how diseases and plagues worked, they knew enough to sequester the sick to prevent the illness from spreading. The Venetians in the 15th century established isolation wards, known as lazarettos, on outlying islands to house incoming travelers from plague-ridden areas. Ships were aired out to dissipate "plague-causing vapors." Lazarettos would be used across the world and throughout history to screen sick travelers and, in some cases, house lepers.

Finding an exact date for when social distancing entered the vocabulary is more difficult. The term may have first popped up around 2003, when the world saw an outbreak of severe acute respiratory syndrome, otherwise known as SARS. A 2004 article in a medical journal refers to nonmed-

ical interventions to thwart the spread of SARS, including measures to "increase social distance."

Shortly after the 9/11 terrorist attacks, President George W. Bush was greatly concerned about the threat of bioterrorism, the *New York Times* reported, and grew even more concerned about pandemics after a string of new infectious diseases popped up around the world. In fall 2005, the Bush administration enlisted Drs. Richard Hatchett and Carter Mecher to develop plans to tackle a pandemic.

The team developed a social distancing guideline, in large part based on a high school science fair project from the 14-year-old daughter of a New Mexican scientist, Dr. Robert Glass. Glass' daughter Laura, for the project, built a model of social networks at her high school. Looking at the social networks, Glass determined the closely packed students would make it easy for a contagious dis-

ease to spread. Glass ran several models looking at what might happen if the social networks were disrupted. He found that disrupting the social networks would greatly reduce the spread of a contagious disease, the *Times* reported.

"Targeted social distancing strategies can be designed to effectively mitigate the local progression of pandemic influenza without the use of vaccine or antiviral drugs," a study published by Glass concluded.

In February 2007, the Centers for Disease Control and Prevention established Non-Pharmaceutical Interventions, including social distancing guidelines, as official U.S. policy. From there, the term social distancing was used in targeted cases in 2009 during the H1N1 influenza pandemic and once again on a much larger scale for the COVID-19 pandemic.

It appears that it's here to stay.

# TIMELINE

## Pandemics in history ... and how 'governments' responded

BY LINDSAY MARCHELLO

Pandemics have devastated communities for as long as people have lived in close-knit communities. Time and again, deadly diseases have spread like wildfire through cities and towns, and empires have been brought to their knees by the smallest of bacteria. We take a look back at some of the most catastrophic pandemics to have ever plagued the earth.

### Plague of Justinian mid-eighth century

The plague of Roman emperor Justinian began around 541 AD and periodically returned to devastate communities in central Asia, Europe, and the Mediterranean. Tens of millions of people may have died of bubonic plague caused by the bacteria *Yersinia pestis*. Flea-ridden rats carried the disease while they hitchhiked on grain ships. People at the time may have believed the plague was an act of God, who scoured the earth and air, Professor J.N. Hays, author of *Epidemics and Pandemics: Their Impact on Human History*, told the Guardian. "There was a deliberate smashing of pots; people making a clamour. This may be an illustration of a population experiencing traumatic shock," Hays said. "It might have been done in panic but also might have been done to somehow disturb and clear the atmosphere." Procopius, a Byzantine scholar, wrote about the plague's devastation. The afflicted would first develop a mild fever, but within a few days would develop lumps on their arms and groins, Procopius wrote. Some would slip into a coma while others became violently delirious.

**RESPONSE:** Procopius blamed Byzantine Emperor Justinian for the plague, arguing the disease was a punishment from God for Justinian's wicked ways. The economic and military might of the Byzantium empire took a hit from the plague, but Justinian demanded tax rates remain the same and continued massive building projects, such as the construction of the Hagia Sophia in Constantinople. Some scholars argue the plague played a role in the demise of the Roman Empire.

### Black Death 1330s-1360s

The same bacterium that caused the plague of Justinian returned in full force in the 14th century, this time as the Black Death. Otherwise known as the bubonic plague, the Black Death, killed roughly 25 million people in Europe. The plague spread from Central Asia to Europe, North Africa, and the Middle East through trade routes. Cities and towns were harder hit than rural communities. Like the Justinianic plague, people viewed the Black Death as a wrath from God and turned to prayer. Some blamed foreigners for the plague. In particular, violent mobs targeted Jewish people, with many killed and burned at the stake. Pogroms were common.

**RESPONSE:** Although people didn't understand how the disease worked, they still tried to control the spread through quarantines. In 1377, the Adriatic port city of Ragusa, known today as Dubrovnik, Croatia, implemented a 30-day quarantine of all incoming people from plague-ridden areas. Despite the quarantine order, the Black Death hit Ragusa hard. Since it was a port city that relied heavily on trade, completely isolating the city wasn't economically feasible, wrote Dave Roos for History.com.

In the 15th century, Venetians established lazarettos, or isolation wards, on small islands to combat flare-ups of the bubonic plague. Ships were forced to dock at these outlying islands and aired out to dissipate "plague-causing vapors."

### Great Plague of London 1665

The city saw the return of the bubonic plague, resulting in deaths of roughly 15% of London's population. Although the city recorded 68,596 deaths, the actual death toll may have exceeded 100,000. The outbreak started in the spring in a parish outside the city walls called St. Giles-in-the-Fields. While the wealthy and politically connected were able to flee the city, the poor were left to suffer the plague.

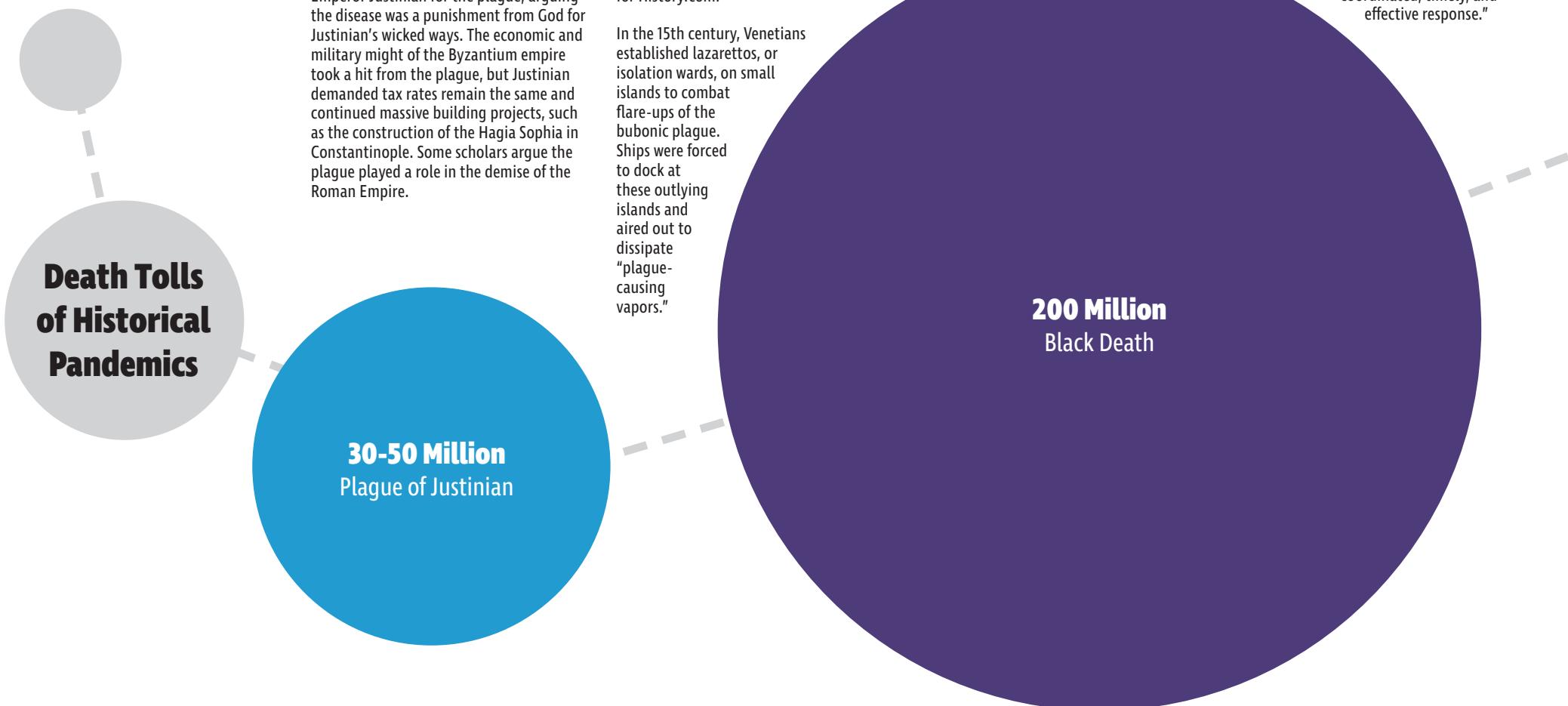
**RESPONSE:** Most who caught the plague didn't survive, Professor Vanessa Harding, professor of London History at the University of London, told BBC. "But there are also what we might consider public health measures, which from their point of view include killing cats and dogs, getting rid of beggars in the streets, trying to cleanse the city in both moral and practical terms," Harding said. "The people who do best are those who get out of London." The Great Plague of London was the last major outbreak of the bubonic plague in the United Kingdom, but researchers aren't exactly sure why.

### Cholera 19th century

Since the 19th century, cholera has killed millions. The first cholera pandemic originated in India in 1817. Though the exact death toll is unknown, the first pandemic killed hundreds of thousands. The second pandemic hit Great Britain in October 1831 and spread throughout the country, killing around 32,000 from 1831-32.

**RESPONSE:** Cholera riots broke out in the city, and doctors were attacked over fears they were stealing bodies for dissection and research. During the fifth cholera pandemic, in 1883, the German physician Robert Koch isolated the *Vibrio cholerae* bacterium as the cause of the disease. Since the advent of modern-day sewage and water treatment, cholera has largely been eliminated from developed countries, but the disease continues to be a problem for areas ravaged by war, natural disasters, or immense poverty.

"It is nearly impossible to prevent cholera from being introduced into an area," the Centers for Disease Control and Prevention says, "but the spread of disease can be prevented through early detection, confirmation of cases, and a coordinated, timely, and effective response."



## Schools getting long, arduous lesson in facing COVID-19

BY LINDSAY MARCHELLO

It's not certain whether COVID-19 will continue to spread through North Carolina this fall, but one thing is likely: The 2020-21 school year won't be typical.

North Carolina public health and education officials have been working to determine what the 2020-

21 school year will look like, and whether it will be safe to open to in-person instruction.

Remote learning will probably be a part of any school reopening plan, the state superintendent has said.

"Since the start of our switch to remote learning in March, I have held the belief that we are going

to need to utilize remote learning next school year as well in some form or fashion," Superintendent Mark Johnson said in an email to the school reopening task force, obtained by EDNC.

The school reopening task force is composed of public health officials and education representatives. Members of the House Select

Committee on COVID-19 Education working group heard from education and public health officials on what must be considered for a reopening plan. Any plan must focus on social-distancing protocols, monitoring students and staff, protecting high-risk populations, and educating students and staff about risks.

"As guidelines start to take shape, we see that we will need options to at least protect students and teachers who are in the high-risk category," Johnson said in the email.

Catherine Truitt, the Republican candidate for state superintendent, shared a vision of what schools in the fall could look like, as part of an

# TIMELINE

## Plague returns

1855-1945

The third plague pandemic begins in Yunnan, China. By the late 19th century, the plague reached Hong Kong and Guangzhou. From there the disease spread to cities around the world, including Bombay, Cape Town, San Francisco, and Guayaquil in Ecuador. About 12 million people died.

**RESPONSE:** European sanitary officials met in several international conference to discuss prevention against the plague and other diseases. Regular reporting of infectious diseases began in the 1890s. Cities followed the international conference's recommendations by organizing quarantines, controlling maritime traffic, and regulating hygienic practices of ships, trade, and travelers. It was during the third outbreak of bubonic plague that researchers identified the bacteria responsible for the disease. Alexandre Yersin, a Swiss physician and bacteriologist with the Pasteur Institute, discovered *Yersinia pestis* in 1894.

## Spanish Flu

1918-19

A third of the world's population was infected with a strain of the H1N1, called the Spanish Flu. Between 40 million to 50 million died (some estimates are as high as 100 million), making it one of the worst pandemics in human history. Mortality was particularly high in children younger than 5, adults 20 to 40, and people 65 years and older. The high mortality in healthy adults 20 to 40 is a unique feature of the Spanish Flu pandemic. North America, Asia, and Europe all saw waves of the Spanish Flu. The first case in the United States appeared in military personnel in 1918. Where the Spanish Flu originated is still up for debate. Despite its name, the Spanish flu likely did not originate in Spain.

**RESPONSE:** The pandemic occurred during World War I. Countries at war, such as the United States, France, and Germany, downplayed the pandemic to avoid causing panic and lowering morale. Spain was neutral at the time, and Spanish officials and the press reported on the spread of the virus, which led to the perception the pandemic originated in Spain. At the time, no vaccine existed to prevent the spread of the virus. Instead, public health officials used non-medical interventions, such as isolation, quarantine, encouraging good personal hygiene, use of disinfectants, and limitations of public gatherings. Still, Philadelphia held a parade to promote government bonds to support the war effort, and about 200,000 people attended. A few days after the parade, every bed in Philadelphia's hospitals were filled with flu victims, with thousands dying.

## HIV/AIDS

1981-present

The pandemic began in the early 1980s and has so far resulted in the death of 32 million people around the world. At first, people believed the disease only affected gay men. The syndrome was initially called gay-related immune deficiency (GRID) because of a group of cases among gay men in Southern California in June 1982. By September 1982, the CDC started using the term acquired immune deficiency syndrome, or AIDS. The following year in November, the World Health Organization held its first meetings to assess the situations and begin international surveillance. By the end of 1985, every region in the world had a case of HIV/AIDS.

**RESPONSE:** Public awareness campaigns were developed to promote safe sex, to discourage sharing needles, and to destigmatize the disease. Tackling the diseases required a global response, wrote Michael Merson, a professor at the Yale School of Public Health, in the *New England Medical Journal*, but that was slow to come. "AIDS often engendered stigma, discrimination, and denial, because of its association with marginalized groups, sexual transmission, and lethality," Merson wrote. "The result was two decades of a slow, insufficient, inconsistent, and often inappropriate response." Medical advances have provided effective treatments to help those with HIV/AIDS live longer, though a cure has yet to be discovered.

## H1N1

2009-2010

On April 15, 2009, the first human infection of a novel influenza virus, H1N1, was found in California. The strain was unique compared to other strains of influenza circulating during the time, the CDC found. While few young people had any existing immunity to the virus, older people one-third of people over 60 had antibodies against this virus. The CDC suspects older people had exposure to older H1N1 virus in their lives. Outbreaks popped up in more than 70 countries.

**RESPONSE:** Public health officials across the globe used surveillance techniques to track and trace the spread of the virus. Some schools were closed to slow the spread. By mid-September 2009, a vaccine was made readily available. From April 12, 2009 to April 10, 2010, the CDC estimated 60.8 million cases and 12,469 deaths. Worldwide, anywhere from 151,700 to 575,400 people died of H1N1. Although the pandemic is over, H1N1 continues to circulate as a seasonal flu.

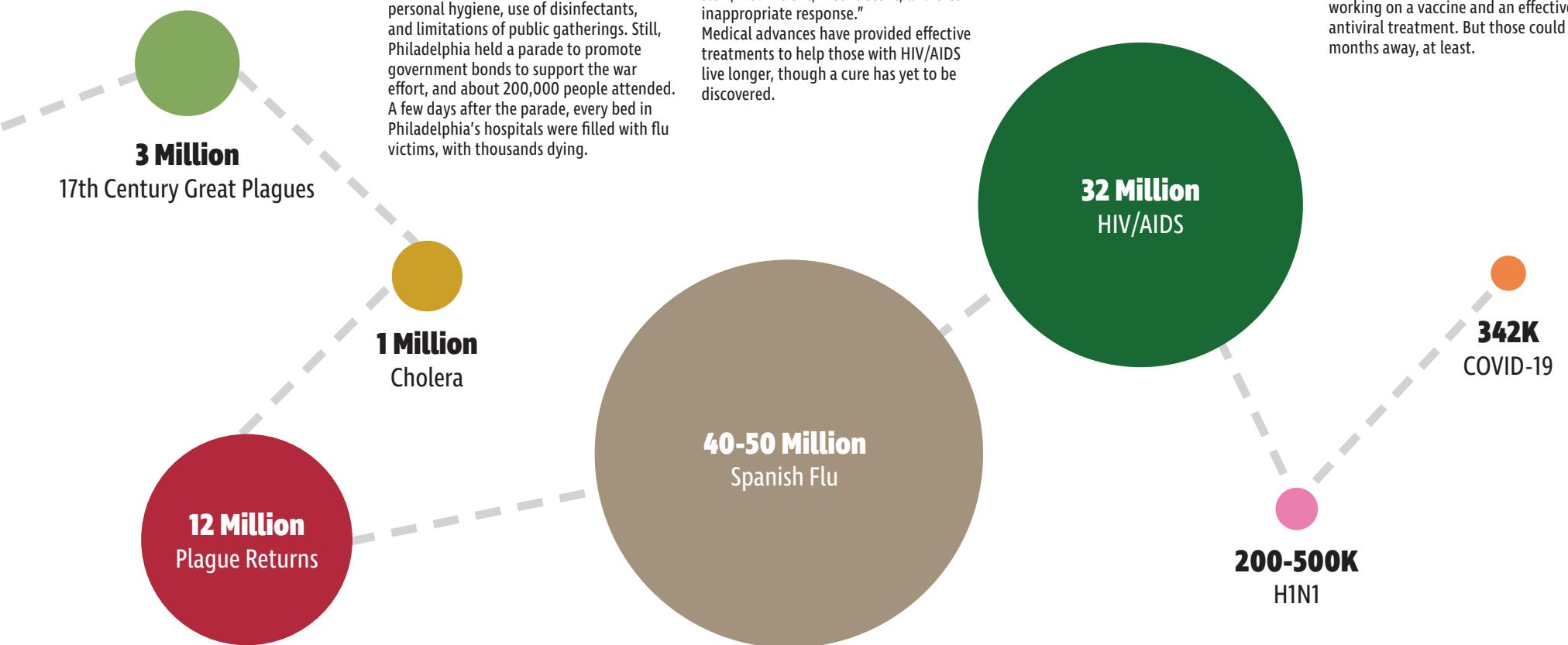
## COVID-19

2019-present

COVID-19, caused by SARS-CoV-2, first appeared in the Wuhan province of China, but has since spread around the world. More than 5 million people worldwide have been infected and more than 342,000 people have died.

**RESPONSE:** Governments have turned to non-medical — even drastic — interventions to prevent COVID-19 from spreading and overwhelming the health care system. While some countries, such as China, implemented massive quarantines of entire cities, others enacted targeted shutdowns of high-risk areas. Schools, restaurants, bars, gyms, and more have been closed in countries around the globe to enforce social distancing measures, though economies are devastated. That includes the U.S. and North Carolina, which is facing record unemployment and business closures. In April, North Carolina lost 572,000 jobs, or 12.5% of the state's total employment. Through April, the state has collected \$731 million less in General Fund revenue this fiscal year than in the first 10 months of the previous year, and the 2020-21 budget deficit could well be \$4 billion.

Researchers in multiple countries are working on a vaccine and an effective antiviral treatment. But those could be months away, at least.



online meeting of the Charlotte Uptown Women's Club. Civitas Institute posted the video clip online.

"In my talks with the State Board of Education, and this will really come down to what [N.C. Department of Health and Human Services] says to the governor, there will be no extra-curricular activities, there will be no sports, there will be no band, there will be no eating in the cafeteria and the schools will be at half capacity by

sending the kids two days a week, kids will be on an AB (staggered) Schedule," Truitt said.

An alternative schedule for students might be necessary to maintain social distancing at schools. Some students could end up attending school in the morning while others go in the afternoon, or the school week could feature a combination of in-person and remote learning with students on different tracks.

Schools aren't built for social distancing, said Terry Stoops, vice president of research and director of education studies at the John Locke Foundation.

"They're built to accommodate as many students as the physical structure will allow," Stoops said.

An alternative school schedule could place an unreasonable burden on working parents, Stoops said.

Extracurricular activities, such as sports, could also be severely lim-

ited come fall. This too poses a problem, Stoops said.

"Some may argue that canceling athletics is a small price to pay for safety," Stoops said. "Yet, in many cities, towns, and counties in North Carolina, athletics and community are inseparable."

Sports reinforce interpersonal relationships and social ties. They also provide scholarship opportunities for students, Stoops said.

One potential answer to the re-

opening question would be preserving in-person instruction for the school week while adding additional space for social distancing, Stoops said.

"School districts could establish partnerships with private schools, churches, municipalities, civic organizations, and any other entity with a suitable facility," Stoops said.

It's an imperfect solution, but it's something to consider, he said.

# U.S. POLITICS

## Pandemic offers excellent opportunity to scuttle unnecessary regulations



**Casey Mulligan**  
Professor  
University of Chicago

The COVID-19 pandemic has generated plenty of bad news. But some observers view the upheaval associated with the pandemic as a catalyst for useful changes.

**Casey Mulligan**, professor of economics at the University of Chicago and former chief economist for the White House Council of Economic Advisers, has labeled the pandemic a "deregulatory opportunity." He discussed the issue in a *National Review* article. It featured themes from his new book, *You're Hired! Untold Successes and Failures of a Populist President*. Mulligan discussed deregulation during an interview with Mitch Kokai for the John Locke Foundation's "HeadLocke" podcast.

**MK:** I want to start with some of the items that were in the *National Review* article. ... You start out basically by saying that "this is a rare opportunity to multilaterally disarm in the battle for special-interest favors." How so?

**CM:** It won't surprise any of your listeners that Washington is full of special interests. Each special interest has an intense interest in the particular couple of regulations that give them a lot of favors at a great cost to the rest of us. But there are so many of the rest of us, maybe we don't notice so easily.

There's a lot of special interests, all getting those things — my industry as well, the higher education industry. Few industries are exempt from that. None of us wants to give up our own favored regulation, but we would benefit if we could do that while everyone else gave up their favorite regulation. That's what I mean by a multilateral disarmament.

It's happened a bit already with President Trump's regulatory budget. It's another way of trying to deal with regulation kind of at an aggregate level, a multilateral level. He had some success with that.

This may be another opportunity where a bunch of interests can back down and the consumer can come out ahead.

**MK:** ... I want to get back to one of your other general themes. That is that "effective central planning is impossible." How does this pandemic help remind us of this fact?

**CM:** In so many ways. We see governors in places like Illinois with — widely varying between Chicago and downstate Illinois — but they've got one set of rules for all of us. All the schools are closed, regardless of whether they're in a ZIP code where they really literally have zero cases or they're in the middle of Chicago.

Regulators have been passing thousands upon thousands of regulations — never considering, "You



know, maybe there would be a pandemic some day, and this regulation would be a real painful thing at a painful time."

I was able to search all the regulations. Not a single one looked ahead to that. It's not that a pandemic was thought to be so terribly rare. It was understood that pandemics are a once-in-40-years sort of thing. But it's just too hard for a central planner to keep track of all these different contingencies.

It's not in their interest, either. When the contingency does arrive, that their regulation really hurts us, they actually benefit because we come on our hands and knees and say, "Please relieve us of your regulation, at least in this moment."

**MK:** You mentioned looking at all of those various regulations. In fact, you looked at 637 new and economically significant regulatory actions from 2009 to 2019. So it's not just a handful, but hundreds and hundreds. ... What are some of the things that the [Food and Drug Administration] does that really hamstring our efforts to fight this pandemic?

**CM:** We've understood for quite a while that the process for approving new drugs and treatments —



**Regulators have been passing thousands upon thousands of regulations — never considering, 'You know, maybe there would be a pandemic some day, and this regulation would be a real painful thing at a painful time.'**

FDA has to give approval in order for a company to sell that sort of product in the U.S. market — it's been well and long understood that it's a long, multiyear process, a multibillion-dollar process per product.

Who pays that cost? The consumer pays in terms of having to wait years to get that drug or treatment. Then when it's finally available, they have to fork out the money because the company doesn't put in all those billions of dollars not expecting some help from the consumer with that. Those are the sorts of costs that have been well-known.

Now, again, the special interests are there. If you're a company who has already run that gauntlet, you're

kind of eager that the guys behind you still have to run it. That's why it's kind of been sustained for such a long time.

But now none of us is willing to wait years for a COVID-19 treatment. We want it now. At the worst, we would want it in the next six to 12 months. We don't want to wait the normal eight-year process.

**MK:** ... You reference in the article the fact that the Obama administration put net-neutrality price controls on internet service providers — never anticipating that everyone would be stuck at home wanting to use the internet. This seems like one that will really pique a lot of people's interest.

**CM:** Yeah, and it goes back to ... central planning — doing it effectively — it's just impossible. It didn't occur to them when they were doing it, even though there was a pandemic during the Obama administration. Their telecommunications regulators weren't thinking about that issue.

They thought that they kind of understood how pricing ought to work and, therefore, could regulate the pricing and the companies could just obey. It would be no big deal because those regulators were using their wisdom to set those rules.

But their wisdom was not

considering that we would all be at home and the internet traffic going into homes would be extraordinary, while we're all at home simultaneously. The Europeans are suffering because they have net neutrality, and therefore the internet companies have fewer levers that they're allowed to use to manage that traffic. So they're not getting some of their traffic. They're not getting high-definition Netflix, for example.

**MK:** ... Federal regulators decided in 2016 to outlaw short-term health insurance plans — all tied to the increased federal involvement in health care that we've seen ever since the Affordable Care Act, or Obamacare. This is coming back to haunt us, isn't it?

**CM:** If it weren't true, it would be funny. ... Obamacare required full coverage. If you and your wife are 60 years old, you still have to pay for pregnancy coverage. [Regulators] saw that people didn't want to buy those Obamacare plans, even though they were subsidized. People wanted to buy these short-term plans where they could opt out of the types of coverage that their family didn't really need.

[Regulators] were kind of upset by that. Instead of improving their product and attracting the customer with a carrot, they used a stick and outlawed those competing products. One of the excuses they gave in their regulatory analysis was not many people are really going to want a short-term plan.

"Yeah, people lose jobs, but they go back to work rather quickly. There's not that many people out of a job at any given point in time." Of course, we know that's not always true. Right now we're in a situation where tens of millions of people are out of a job for periods of time when they could really benefit from a plan that would allow them to be for a half a year insured, until they get back to their corporate job that provides that kind of benefit.

## COMMENTARY

## How will North Carolina schools look in fall?



**DR. TERRY STOOPS**  
VICE PRESIDENT FOR RESEARCH  
JOHN LOCKE FOUNDATION

According to *News & Observer* reporter Keung Hui, “Hugs, handshakes, and fist bumps are part of the daily ritual for students arriving at Fox Road Elementary School in North Raleigh. Fox Road’s ‘Gauntlet of Love’ has teachers and staff line the entrance and hallways to greet the 420 students as they arrive for another day of classes.”

Principal Bob Lewis created this school entrance ceremony as part of a larger effort to instill a “culture of caring” in the high-poverty elementary school he leads. And the hard work of creating an uplifting and edifying school community paid off. The school achieved remarkable gains in student achievement, including more than doubling the schoolwide passing rate on state tests over the past six years. More important, parents found their children were better prepared academically and emotionally for the decidedly tough middle school years.

When the *News & Observer* published the story about Fox Road in September, Lewis and his staff were looking forward to another successful year. But as school closures became one of many COVID-19 mitigation measures, the Gauntlet of Love would be replaced by phone calls, texts, emails,



**TASK FORCE RECOMMENDATIONS:** Increasing social distancing, implementing hygiene protocols, monitoring staff and student health, and disseminating information and combating misinformation about COVID-19.

and online interactions that were a shadow of the close-knit community that had done so much for the children fortunate enough to be assigned to the school.

Soon after, Gov. Roy Cooper closed school buildings for the remainder of the school year. State education and public health officials then began the process of formulating reopening and operations guidance for the next school year. On April 30, Superintendent of Public Instruction Mark Johnson announced the creation of the Schools Reopening Task Force. About two dozen members of the task force include representatives from the governor’s office, legislature, State Board of Education, the N.C. Department of Health and Human Services, and the N.C. Department of Public Instruction.

Education and public health representatives from the task force

presented a preliminary outline of their work plan to a legislative committee May 14. The presentation included four initial areas of consideration: increasing social distancing, implementing hygiene protocols, monitoring staff and student health, and disseminating information and combating misinformation about COVID-19.

The ideas about social distancing were the most controversial of the four. The task force will consider ideas such as six-foot space markings and desk separation, staggering school hours, alternating the days and weeks when students are in school, and limiting school activities, including athletics.

Will children comply with social distancing rules? Don’t expect N.C. students to imitate their Chinese counterparts by donning hats with dowel rods and cardboard tubes to

separate themselves from others. American school children are extraordinarily tactile, accustomed to exchanging hugs, handshakes, and fist bumps with classmates and teachers, even when they aren’t participating in rituals like the Gauntlet of Love. As such, younger children may have difficulty adopting social distancing practices. Even the threat of punishment may not always be enough to keep rascals in middle and high school six feet apart. Children with autism or developmental disorders will have the toughest time adapting to the new rules. In other words, noncompliance is inevitable. The question the task force and parents need to answer is: How much noncompliance is acceptable?

Will parents be able to accommodate staggered attendance or alternating schedules? Schools aren’t built for social distancing. They’re built to accommodate as many students as the physical structure will allow. So, the task force will consider the idea of assigning students to alternative attendance schedules.

For example, some students may attend class in the morning and others in the afternoon. Another option is implementing alternating schedules requiring students to attend school every other day or week. It’s not difficult to understand how such an arrangement would be an unreasonable burden on working parents, many of whom work outside the home and can’t unilaterally modify their weekly schedules to ensure the child has adequate transportation and supervision during the workday.

Will communities accept limitations on school activities

and athletics? Some may argue that canceling athletics is a small price to pay for safety. Yet, in many cities, towns, and counties in North Carolina, athletics and the community are inseparable.

Intercollegiate athletics is not mere entertainment or a week-night distraction. Football and basketball games reinforce interpersonal relationships and social ties in ways that other group activities cannot. Moreover, athletic scholarships provide a critical pathway to higher education for talented young adults from low- and modest-income households. These are not trivial matters and should not be treated as such.

Full-time online learning addresses social distancing concerns, but it’s not the optimal form of delivering instruction for younger children. It’s also burdensome for single- and working-parent households. One imperfect but viable option to preserve in-person instruction for five days a week, while providing additional space for social distancing, is to establish additional school sites. School districts could establish partnerships with private schools, churches, municipalities, civic organizations, and any other entity with a suitable facility. Lawmakers should also expand private school scholarship and education savings account programs to promote social distancing efforts.

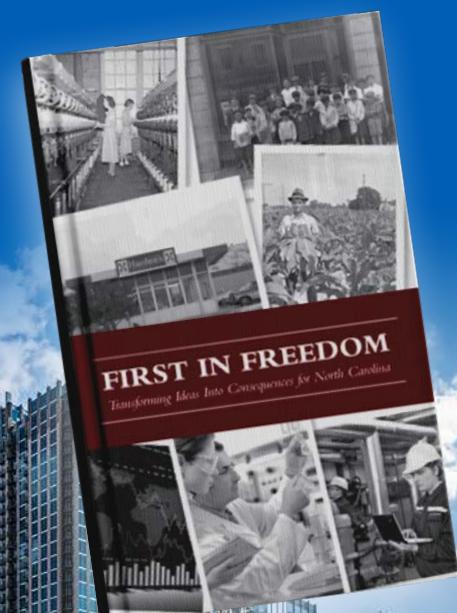
Of course, the best-case scenario is that scientists defeat COVID-19 this summer, and life returns to normal. Nothing would make me happier than seeing Fox Road Elementary School students once again start each day with hugs, handshakes, and fist bumps.

## FIRST IN FREEDOM

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# EDUCATION

## Waitlisted, for now: Traditional college dreams and admissions



**KRISTEN BLAIR**  
COLUMNIST

The class of 2020 exits high school amid roiling uncertainty. Seniors' successors, the class of 2021, will navigate uncharted terrain when the college admissions cycle launches soon. These students will be "recruited on a very different landscape" than any class before, Lee Coffin, admissions dean at Dartmouth, said in a recent virtual panel for Harvard's Graduate School of Education.

Different landscape, different questions: How do college admissions change, when tests are canceled and grades are optional? How does college value change, when finances crater and campuses close?

We are all waiting to find out.

We know this: Test scores matter less. Spring ACT/SAT testing was delayed. At-home tests may come this fall, but they're unlikely to help. At-home tests are a lifeline to testing companies, for whom the pandemic poses an existential threat. To everyone else, their



**DISRUPTING TRADITIONS, TIMELINES, TRAJECTORIES.** As this strange school year ends, the future looks clouded.

usefulness is unknown.

Citing testing concerns, the National Association for College Admission Counseling asked colleges to reassess 2020-21 admissions criteria. That's happening, as institutions nix test requirements. Pre-pandemic, the "test-optional" movement was strengthening. Now, it's surging. According to FairTest, more than 1,200 four-year institutions have implemented 2020-21 test-optional policies.

Some institutions are test-optional for 2020-21 only. Others are

re-evaluating for longer. Multiple colleges, including Davidson, Oberlin, and Tufts, recently announced three-year "test-optional" pilots. Some colleges are still holding firm on tests; students should monitor closely.

Grades remain important, but colleges won't penalize applicants with spring pass/no-credit marks. That's good news for stressed students. It's another adjustment for admissions offices. Transcripts reflect a patchwork of emergency policies atop regular policies, re-

quiring intensively contextualized review.

The N.C. State Board of Education approved a temporary grading policy allowing ninth-11th-graders to choose numeric grades or pass/no-credit marks this spring. This wisely encouraged achievement without exacerbating inequities. But the board prevented graduating seniors from choosing grades, allowing only "pass" or "withdrawal" options. This precluded GPA/class rank improvements — especially unfair to seniors who waited to apply to college. In May the board revisited this decision, but voted, unfortunately, to uphold it.

A perennial but newly emergent question looms. Is college worth it? More students say no, not like this. A bellwether: Applications for federal student aid called FAFSA are down, according to the National College Attainment Network's FAFSA tracker. FAFSA completion is "strongly correlated with postsecondary enrollment," notes NCAN.

As concerns over affordability and value grow, aspirations are changing. A survey from research firm SimpsonScarborough finds 10% of high school seniors who planned, pre-pandemic, to attend four-year colleges have decided against it. Distance learning, as a stopgap, is unappealing: 20%

of seniors will forgo enrollment if classes stay online. The survey forecasts a "record increase" in deferrals, retention challenges, and a potentially "catastrophic" 20% enrollment decline at four-year institutions next year. Increasingly viable: community college, online degree programs, gap years.

It's a watershed moment for traditional institutions, pressed on value. Some face student lawsuits seeking spring refunds. Fall plans are variable. Some institutions plan to open with flexible block scheduling. Others are staying online. Cal State's 23 campuses will remain virtual, the system's chancellor announced. In a recent statement, UNC System Interim President Bill Roper said campuses will likely re-open, but fall operations "will not be the 'normal' we were all used to prior to COVID-19."

As this strange school year ends, the future looks clouded. Yet, earnings data from the U.S. Bureau of Labor Statistics are clear: "Education pays" and buffers against unemployment. Still, the pandemic is disrupting traditions, timelines, trajectories. A different landscape may mean a different path to, and through, college. What happens next? Settle in. It's a waiting game.

*Kristen Blair is a Chapel Hill-based education writer.*

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## EDUCATION

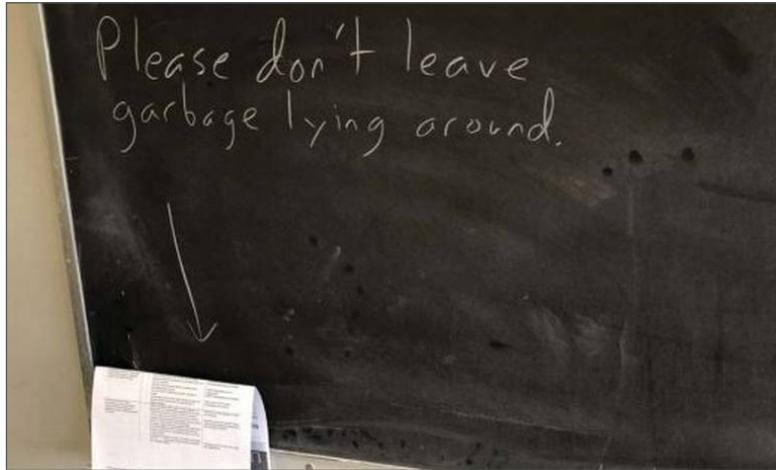
*Math professor mocks a leftist belief, gets fired*

**GEORGE LEEF**  
COLUMNIST

**HUMORLESS**, intolerant leftist academics are a force to be reckoned with on many college campuses, and a new case at the University of North Texas pushes the envelope.

After earning his Ph.D. in mathematics from Baylor University in spring 2019, Nathaniel Hiers found employment at UNT. He began teaching full time as an adjunct faculty member in the fall. The mathematics department thought highly enough of Hiers that, in November, he was invited to renew his contract for the coming semester. Hiers promptly emailed back to say he would accept the school's offer.

Trouble for Hiers began, however, on Nov. 25. He was relaxing in the faculty lounge that afternoon, waiting for a colloquium to begin, and noticed a stack of fliers. They weren't identified as a university document and had been left anonymously. The subject of the fliers was "microaggressions," and the argument they made was that such speech, although unintentional, is harmful to some



individuals' physical and psychological health. Therefore, faculty members were encouraged to avoid them.

The flier gave a number of examples of microaggressions, such as saying, "I believe the most qualified person should get the job," and "America is a land of opportunity."

The idea certain groups in the population are so sensitive to, and easily harmed by, such apparently benign utterances has been around for many years. Some academics believe it, while others find it to be just a weak and unproven assertion. Hiers is in the latter camp.

All that Hiers did after reading the flier was to write on the chalkboard, "Please don't leave garbage lying around," with an arrow pointing to the stack of them.

On the afternoon of Nov. 26, mathematics department chairman Ralf Schmidt sent an email to the entire department with a picture of Hiers' chalkboard note and the text, "Would the person who did this please stop being a coward and see me in the chair's office immediately." Hiers did go to Schmidt's office, where Schmidt made it clear that he objected to Hiers' mockery. He called his chalkboard message "stupid" and insisted that he apologize for having expressed his derogatory thoughts about microaggressions.

When Hiers responded that he saw no reason to apologize, Schmidt asked if he'd be interested in further "diversity training" beyond that which UNT already requires for its faculty. Hiers said

he wasn't interested, since he was scheduled to take the mandatory "training" in a few days, which he did Dec. 1.

On Dec. 2, Hiers came to campus to sign his contract for the coming semester. He was informed by William Cherry, the assistant departmental chairman, the document was in Professor Schmidt's office, but that he wasn't in. Later in the day, however, Hiers received an email from Cherry. It said the department had terminated his employment, and he would not be teaching in the spring semester.

Hiers then emailed Schmidt to ask why he had been fired. Schmidt replied that his decision to terminate his employment "was based on your actions in the lounge on 11/26 and your subsequent response."

Finally, Schmidt said he decided to fire Hiers because he refused to recant his opposition to the microaggression idea. He summed up by declaring to Hiers, "Your actions and response are not compatible with the values of this department."

Professor Schmidt may want to be rid of Nathaniel Hiers, but in his anger, he seems to have forgotten about two things — university procedures and the Constitution.

Hiers is represented by the Alliance Defending Freedom, which has litigated on behalf of many professors and students

who have suffered at the hands of overbearing college officials. In its complaint in the case, ADF argues that numerous UNT faculty and administrators have violated Hiers' rights.

Universities cannot cast aside due-process safeguards simply because a high-ranking professor has gotten into a rage at a subordinate's failure to agree with him and recant his apostasy.

And for another, UNT is a public institution that must abide by the First Amendment.

He's right. Universities are supposed to be places for free inquiry and debate. UNT has instead behaved like the Spanish Inquisition.

If the university decides to defend the actions of Schmidt and its officials, it will rack up huge legal costs — its own and almost certainly those of the plaintiff — at a time when it has no money to spare.

This case points to a need throughout academia — a crash course in the meaning of academic freedom for college officials. UNT ought to cancel its mandatory "diversity training" program and replace it with a training session on tolerance, free speech, and the rights of faculty members, even adjuncts.

*George Leef is director of editorial content for the James G. Martin Center for Academic Renewal.*

# How UNC can save money post-COVID-19

BY MARTIN CENTER STAFF

UNC has announced its intent to reopen all 16 campuses this fall with in-person instruction. But the system will have to make significant changes before moving forward.

Jenna Robinson and Sumantra Maitra released a new policy brief for the Martin Center describing some of the financial changes universities can make to survive and thrive post-COVID. "Colleges must act now to cut unnecessary expenses while preserving core academic functions," they say.

The UNC System's revenue for 2020-21 will be significantly lower than it was in 2019-20. Because of state and local lockdowns, many parents and students are out of work, straining family budgets and the ability to pay tuition.

Foreign students and even those from other states, who pay out-of-state tuition, are unlikely to make up as large a percentage of UNC students as in the past. Surveys show fall enrollment may drop as much as 20% nationally from

previous years.

There will also be more pressure on the UNC budget, including the costs of new cleaning protocols, online teaching technology, and other measures to ensure student safety.

But there are ways the system can cut spending without damaging its core functions. In "Higher Education After COVID-19: How universities can preserve core academic functions and reduce spending," Robinson and Maitra suggest four areas for budget cuts: academic programs, administration, athletics, and facilities.

With sporting events unlikely to return to pre-COVID levels any time soon, athletics is a natural place to make cuts. The Martin Center brief echoes recommendations from the Drake Group, including an immediate freeze on salaries, hiring, and bonuses, as well as a reduction in support staff.

At most UNC institutions, cuts to athletics departments were warranted even before the pandemic. Only two universities in the UNC System — N.C. State University and UNC-Chapel Hill — come



**The brief recommends an immediate hiring freeze, temporary salary cuts for highly paid faculty, incentives for early retirement, and an increase in some teaching loads.**

close to operating their athletics departments in the black. Universities must consider eliminating some sports programs, dropping to a lower division, or switching to intramural sports. Many universities across the country have already started this process. Head coaches should take a pay cut of at least 10%.

The brief also recommends an immediate end to all new capital spending. The UNC System has

already begun to move in this direction. At a meeting in April, UNC announced that all new construction on campuses will be suspended, which will save more than \$150 million.

That makes sense because, across the system, facilities are already woefully underused. Classroom and laboratory space are available in abundance at almost every school.

Robinson and Maitra also recommend significant cuts to administrative and professional staff, hiring freezes, and pay cuts to highly paid administrators. They note that "many of the services and programs provided by nonacademic personnel are non-essential. They only tangentially relate to academics and do not contribute to student success."

At UNC schools, returning nonacademic staff headcounts to 2000 levels on a per-student basis could create considerable savings. Some staffing cuts can be realized by centralizing services such as human resources and legal services.

Robinson and Maitra recommend only modest cuts to academic programs, including the elimination of low-productivity academic programs. When the Martin Center investigated such programs in 2014, it found 210 programs across the system that graduated fewer than 10 students per year and that should be considered for elimination or consolidation.

The brief recommends an immediate hiring freeze, temporary salary cuts for highly paid faculty, incentives for early retirement, and an increase in some teaching loads.

Together, these changes can help universities, including those in the UNC System, to preserve their core academic functions in this time of unprecedented declines in enrollment and economic uncertainty.

*The James G. Martin Center for Academic Renewal is a nonprofit institute dedicated to improving higher education in North Carolina and the nation.*

# COMMENTARY

## *Stressed over the pandemic, yet prepared for what comes next*



**BECKI GRAY**  
SENIOR VICE PRESIDENT  
JOHN LOCKE FOUNDATION

From flattening the curve to trending, tracking, and tracing. From PPE shortages, to months-long lockdowns and millions of unemployment claims. To stretching our constitutional rights to go along with months of fear, anxiety, and uncertainty.

Through all this, one thing is certain: The COVID-19 pandemic has created a tremendous amount of stress, falling upon our medical system, families, employees, businesses large and small, and students. It affects every North Carolinian — one way or another.

Now that we've flattened the curve and begun to crawl out from a medically induced shutdown, we'll see how that stress affects our fiscal health. Businesses will re-open and try to put the pieces together, the jobless will find work again, investments will be made, and the economy will begin to recover. The quickness and strength of our recovery depend on our starting point and how well we design, commit, and execute a fiscally responsible plan to revive North Carolina's economy.

Moody's Analytics looked at the stress on state governments and found "the results are equal parts shocking and encouraging." Shocking is the amount of spending under way to address the needs and challenges of fighting the virus, at least \$1.6 billion in the state so far. Encouraging is that North Carolina



has set aside a significant amount of money in savings for just such a rainy day.

State policymakers were smarter than they knew when, in the aftermath of the Great Recession, they put in pro-growth policies to reduce government spending growth, lower taxes, remove burdensome regulations, and make good investments in education and infrastructure. Those decisions resulted in a robust economy and record low unemployment, streamlined efficient government, surplus revenue, and savings of \$3.5 billion.

The pandemic came, and the economic shutdown has dragged on for months. There's tremendous stress on government services and resources. More than 1 million unemployment claims have been filed, a fifth of our work force is unemployed, 65% of restaurants have the means to survive for two months, and thousands of businesses have closed. Countless employees are furloughed or had

their salaries frozen or cut. More people qualify for Medicaid, food stamps, and housing subsidies. The Division of Employment Security can barely process the number of claims, and students are thrust into online learning without the devices and infrastructure to support them. The demand overnight on the state budget is overwhelming.

With people out of work and businesses closed, tax money isn't coming in. We don't know how much, but we know revenue will take a big hit. North Carolina is in better shape than some states, as we rely on more stable forms of tax revenue. But we're already seeing reductions in sales and use tax.

People aren't buying, most tourism activities have closed, and restaurants are virtually closed. Sales and use tax revenue was down \$17 million in March and \$96 million in April. The more economic recovery is hampered, the worse those numbers will get.

Local governments will be under

tremendous financial stress as they rely on sales tax to provide services such as water and sewer, fire protection, law enforcement, parks and recreation, and garbage collection. Sales tax revenue comprises 17% of a median county budget and 30% of a municipal budget. According to a UNC School of Government blog, many local governments anticipate a 10% or greater revenue shortfall post-COVID-19, and they'll look toward spending down fund balances — if they have them — reducing capital improvements, cutting services, and closing facilities to make their budgets. And yes, raising taxes, too.

Revenue from income taxes provides 49% of the funding for our state budget, and we won't see the full impact of lower income tax revenue for a while. The filing deadline extension to July 15 was for 2019 income, well before effects from the virus. We don't expect to see effects of income tax revenue hit until April of 2021. Overall, the

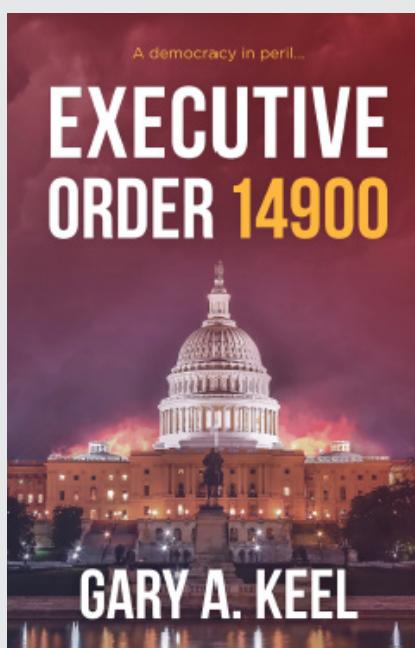
legislative fiscal research staff forecasts a multibillion-dollar revenue shortfall for 2020-21.

When times were good, North Carolina put money aside. That foresight is paying off now. With money set aside, we're better prepared than many states. If not for the \$1.8 billion in hurricane recovery, we would be among the most stable of states. We certainly don't want to spend all of it, but we have savings to stabilize the economy and launch a sound recovery.

The state will take other important steps. We must rein in spending and re-evaluate priorities. The federal government is providing billions to support COVID-19 recovery. We must ensure the money is spent effectively and isn't used to increase dependency on a federal government that's deeply in debt. The worst thing we could do when families and businesses are trying to get back on their feet is ask them to pay more in taxes. Raising taxes is the last thing we want to do, and lawmakers need to find savings where they can. That may mean consolidating state-owned facilities or selling off what we don't need or use. Taking care of added enrollment costs in Medicaid means we can't expand Medicaid eligibility.

During the Great Recession, Gov. Beverly Purdue cut state government spending \$2.6 billion over two years, eliminated 1,000 state government jobs and cut 20 government programs. With substantive savings, reduced spending, and better pro-growth policies in place, lawmakers won't have to enact such draconian measures.

Tough days are still ahead, but if lawmakers stick with proven sound fiscal policies and sensibly manage this stress, we'll weather this storm and be well-prepared for whatever comes next.



## A power-hungry president, a constitutional crisis, and a democracy in peril...

President Jerome Elliott was elected with overwhelming support from the American people. His populist platform and soaring promises captivated voters. But now, after a series of increasingly unorthodox policy decisions and suspicions of sinister motives, a shadow gathers over the White House.

When thirty-four state governors call for a constitutional convention to reform the federal government, Elliott fears losing control. In a desperate attempt to maintain power, he orders the revered 82nd Airborne Division to march on the convention and arrest its participants as domestic insurgents. The Georgia National Guard mobilizes to stop them, and the two forces clash in the small town of Madison. These actions echo across the nation, polarizing the populace and threatening to erupt into violence between the people and their government.

Meanwhile, television reporters Nicole Marcel and Luke Harper race to discover the truth behind the president's actions, while United Nations investigator Percy Leach digs deep into Elliott's past. Chasing facts and whispers alike, they uncover the roots of dark truths that, if realized, risk sundering the very fabric of American democracy.

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## COMMENTARY

## Stay-at-home debate reminds us about importance of trade-offs



## MITCH KOKAI

SENIOR POLITICAL ANALYST  
JOHN LOCKE FOUNDATION

If you've been searching for a silver lining behind the COVID-19 cloud, here's a potential candidate: More people are focusing on trade-offs.

Sure, there are some who believe the whole coronavirus crisis is a hoax. They think government never should have shut down any part of the economy.

Then there are those who are so scared of COVID-19 that watching an unmasked family walking through a neighborhood park generates spasms of apocalyptic anxiety.

But most of us fall between those two opposing positions. We see that COVID-19 presented a serious health threat. It justified government action. But that action created its own set of problems. Too much emphasis on social isolation and inactivity threatens us with significant long-term economic crisis.

A proper response to the pandemic does not ignore public health concerns. Nor does it downplay economic considerations. Instead the best path forward requires a balance. Decisions about the proper balance require considerations of trade-offs.

That's why it's helpful to consider advice from economists, the troubadours of trade-offs. While they're unlikely to unite behind a single answer to COVID-19 shutdown questions, all good economists contemplate trade-offs. They can offer policymakers useful information.

Take a recent column with the headline "North Carolina's misguided coronavirus policy." In



**THE TRADE-OFF.** A proper response to the pandemic does not ignore public health concerns. Nor does it downplay economic considerations.

a state where Democratic Gov. Roy Cooper and his advisers drive the policy, one might expect such a critique from Cooper's Republican political foes.

Instead the author of that column works in the economics department at Cooper's alma mater: the University of North Carolina at Chapel Hill. Assistant Professor Martin Zelder explains why Cooper's phased reopening plan for the state's economy "is profoundly disappointing to people like me — evidence-based social scientists who care about the collective well-being of our society."

Announced May 5, Cooper's plan spelled out three stages for reopening. The first "continues the lockdown and entails no real change," in Zelder's estimation. Even as the state proceeds to later stages, North Carolinians would face government-mandated economic restrictions at least through

the end of June and potentially through July 28.

Labeling the plan "extraordinarily cautious," Zelder contends that Cooper has ignored current evidence. The professor points to "extensive statistical analyses" supporting his argument. In short, the continued lockdown offers "limited social benefit and high social cost."

The economist's argument focuses on five key points.

First, North Carolina has a "relatively low" coronavirus infection rate, Zelder argues. When Cooper's economic lockdown took effect March 31, North Carolina had the nation's fifth-lowest infection rate. By the time Zelder drafted his column, the Tar Heel State still ranked among the bottom 10 states in per-capita infections.

Second, the severity of COVID-19 cases in North Carolina exhibited a "marked decline over

time," Zelder writes. Focusing particular attention on hospital admissions, he finds a decline in the percentage of new cases involving hospitalization. From April 20 to May 3, most days saw more COVID-19 patients leaving the hospital than arriving.

Zelder's third and fourth points focus on the impact of stay-at-home orders. The orders themselves have "limited value," as evidenced by the fact that North Carolina's infection rate differs little from those in Arkansas and Wyoming. Neither of those states ever faced a statewide shutdown.

Even if the initial stay-at-home order made sense, extending that order day after day offers limited benefit. Roughly one month into North Carolina's shutdown, the impact on reducing daily infection rates proved negligible.

While the first four pieces of Zelder's analysis emphasized

health, the fifth focused on the economy. The professor labels the cost of each lockdown day "enormous." Using data from a Moody's Analytics study, he estimates a daily loss of \$375 million from North Carolina's gross domestic product. "And this doesn't capture costs, as a result of social distancing, from multitudes of lost but valuable human interactions, reflected to some degree in the incidence of mental-health problems," Zelder adds.

Media outlets continue to report a growing number of total COVID-19 cases in North Carolina. Zelder credits "dramatic increases" in testing for the growing number of confirmed cases. Total testing jumped by 83% from April 20 to May 3 alone. But during the second week of that period, the rate of positive tests stood at less than 2%.

"These seem reasons enough to end our mandated and protracted stay at home," Zelder concludes.

"I would challenge anybody — if they disagree with a conclusion I'm reaching, then you're disagreeing with how large a component a benefit or cost is," Zelder said during an interview for the John Locke Foundation's "HeadLocke" podcast. "If you're saying I'm not valuing the benefits of the coronavirus prevention enough, then tell me what the right number is. Then we can reconsider the calculation."

"I think that's the kind of discussion we need to have in society," Zelder added.

It's not clear whether Cooper and his advisers are considering the same factors Zelder cites. But one suspects that people stuck at home for more than a month are taking time to consider the "limited social benefit and high social cost" of this state's policies.

Even after COVID-19 has finished inflicting its damage, we can hope that people will remember the importance of trade-offs. The attempt to balance competing priorities helps drive most political debates every day.



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## FROM THE PUBLISHER

### One lawyer's dream come true: Getting Democrats elected

continued from PAGE 2

Elias is back in North Carolina. Several weeks ago, he collaborated with highly partisan Obama-era Attorney General Eric Holder to file a lawsuit in Wake County, which, if successful, would legalize ballot harvesting — a tactic used in the disputed 2018 9th District election. Based on the new complaint, it appears Elias is OK with ballot harvesting, so long as the practice can be continued post-Election Day.

Representing six N.C. voters, Elias is suing the state. In the complaint, he alleges coronavirus may make in-person voting in November too dangerous, and the state's current rules for absentee voting, adopted in response to absentee ballot problems exposed in the 9th District election, are too restrictive.

The Elias-suggested fix is for

North Carolina to allow absentee ballots to be accepted up to nine days following the election, without a witness signature, without current voter signature matching, and without a proper postmark.

The postmark language is crucial: "where a ballot does not bear a postmark date, requiring the State to presume that the ballot was mailed on or before Election Day unless the preponderance of the evidence demonstrates it was mailed after Election Day."

Let me translate into political power-grab language. North Carolina is essential for control of the White House and the U.S. Senate, and control of our legislature hangs in the balance.

Suppose there's a close race in a state legislative district or between Republican Sen. Thom Tillis and Democrat challenger Cal Cunningham. We all get results on Election Day. If the Democrat candidate comes up short, political operatives can use their data to locate Democrats who haven't returned their absentee ballots, and these new rules give them nine days, with no proper postmark necessary, to ballot-harvest however many votes they need to change the outcome.

Elias files this lawsuit only if it gives the advantage to his Democrat candidates because he knows his party will use union activists to harvest ballots. He's filed similar

lawsuits in other crucial states, such as Arizona and Pennsylvania.

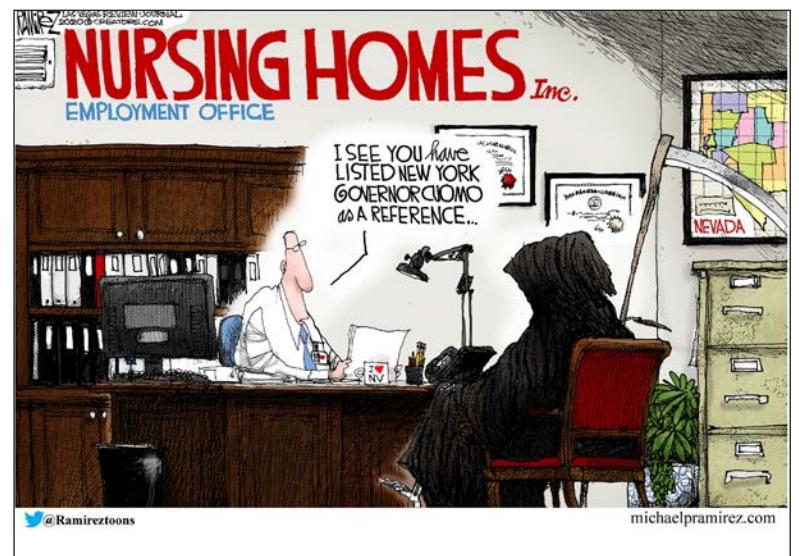
Obviously, Republicans could do it, too. But just because both sides can turn voter integrity on its head, that doesn't mean we should.

Expanded mail voting without commonsense safeguards as Elias is proposing would make a mockery of our election system. I saw it firsthand in Colorado, where orphaned ballots were found lying around common areas for anyone to grab. Some 61,000 ballots go missing, and erroneous ballots are mailed requiring all new printing and mailing, which comes at a great cost to taxpayers.

To be clear, Elias isn't asking the court to mandate an all-mail ballot election like Colorado's, although I have no doubt that's where he wants to go. But what he is asking is worse. Elias is asking the court to ignore the General Assembly's authority over election law and mandate a nightmare absentee ballot free-for-all lasting nine days after voting should be over.

If the Elias lawsuit is successful, North Carolinians can expect delays in reporting our results and more work for Elias and his ilk as candidates file lawsuits challenging unfavorable outcomes. It's a dream come true for "one of the most formidable election lawyers in the country."

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## COMMENTARY BY JOHN HOOD



## Education debate need not be vicious

continued from PAGE 2

unprepared and with which many became increasingly frustrated.

While some families may find homeschooling more attractive than they once thought and continue the practice in whole or in part in the fall, for most there will be no practical alternative to enrollment in public or private schools. So North Carolina's schools will reopen. And North Carolinians are going to have lots of arguments about it.

Should the testing program and other requirements eased this spring for public schools be reinstated for 2020-21? Should district, charter, and private schools all be eligible to receive COVID-impact funds from state and federal coffers? Should eligibility requirements for North Carolina's voucher program be adjusted so that families reeling from job and income losses from the epidemic and lockdown can keep their children in the schools of their choice?

I have strong opinions about these and other education questions. For now, however, I will argue only that whatever you think about them, try to find a way to advocate your position without attacking the intelligence, honesty, or intentions of those who disagree.

For several years, I have co-chaired the steering committee of the N.C. Leadership Forum. Based at Duke University, NCLF brings together a diverse set of leaders from government, business, and nonprofits to discuss controversial issues and model constructive engagement across political differences.

The 2019 cohort focused on school choice. During the yearlong program, we debated every aspect of the topic vigorously. But the participants kept their heads, strove to learn from leaders with whom they disagreed, and largely avoided the partisan talking points and insult comedy that, all too often, crowd out real conversation.

Despite a stark divide coming in, the group found common ground on several specific policies. And even when they didn't, most came away thinking, as one participant put it, "there are good, well-intended people on both sides of the issue."

As policymakers struggle to adapt North Carolina's education policies to our new realities, let's all keep that insight in mind.

# Crisis may drive turn to suburbs

A decade ago, in the aftermath of the Great Recession, business analysts and policymakers thought they saw a turn toward a new urbanism. Downtown lofts and dense developments were the vogue. There was an uptick in transit use. Old-style suburbs and market-bubble exurbs were supposedly yesterday's news.

The results didn't fully match the hype. Transit use soon fell back to very low levels. As the economy improved, people went back to buying cars — and, as their families grew, larger houses with larger lots.

Still, some demand for the new-urbanist lifestyle remained, in North Carolina as well as elsewhere. It wasn't entirely ephemeral. But will it survive the COVID-19 crisis?

As many transit skeptics like me have long argued, it is far more efficient to alleviate traffic congestion — and carbon-dioxide emissions! — by telecommuting than by running half-empty trains and buses at the taxpayers' expense. Now that employers in Charlotte, the Triangle, the Triad, and other communities across our state have had months of experience with large-scale telework, many are reportedly planning to keep large swaths of their employees working from home, at least for



**POSSIBLE EFFECTS OF THE GREAT SUPPRESSION OF 2020.** In a new survey, real-estate agents reported an increase in the share of buyers wanting to move away from downtowns and toward suburbs.

part of each week, until sometime in 2021. Some employers may make it a permanent practice.

Cell-phone data show that North Carolinians were traveling nearly 50% less in early April than they were in mid-March. Mobility has increased a bit since then, of course, but even after Gov. Roy Cooper lifts the stay-at-home order, traffic is unlikely to return to pre-COVID levels for some time.

Even a sustained 10% drop from the baseline, reflecting increased telecommuting, would be significant. And it would come without a massive expenditure of public funds.

It would come with some private expense, though, at least

in the long run, because I believe that as people spend more time at home, they will want more home to spend it in.

Anecdotal evidence suggests that homebuyers are starting to seek more square footage and acreage than they were before. And in a new survey, real-estate agents across the country reported a small but noticeable increase in the share of buyers wanting to move away from downtowns and toward suburbs.

If that change persists and intensifies, I suspect it won't be only because of space considerations. Americans can readily see that COVID-19 has struck harder in dense, transit-dependent metropolitan areas such as New York City than in smaller

cities, suburbs, and rural areas.

Are the differences in epidemic severity we see across America really about density and transit use? Could it be climate, or quality of health care, or differences in governance, or just sheer luck? It's impossible to know yet. But I believe people are already looking at the simple correlation and drawing conclusions.

I don't pretend to know all the answers. Heck, I'm not even sure we're asking the right questions yet. But I'm willing to offer this prediction: The Great Suppression of 2020 will have at least as large an effect on housing patterns as the Great Recession did. It may not be massive, but it'll be noticeable.

## NATIONAL DEFICIT AND COVID-19

# Debt only delays what is due

**SET ASIDE FOR** the moment how quickly and to what extent North Carolina and other states should reopen our economies. Set aside partisan wrangling ahead of the 2020 elections. Set aside the sweeping ideological claims about how COVID-19 "proves" everyone's pre-existing beliefs about the proper size and scope of government.

Perhaps then we can all agree that the costs of the pandemic are staggering and that asking the "federal government" to pay for them, so that "we" don't have to, is meaningless babble.

Going into the crisis, Washington was already running massive deficits, adding \$1 trillion a year to the national debt. That is, what Congress and the president wanted to spend now significantly exceeded the taxes they were willing to impose now to pay for them.

Unfortunately, that was only the tip of the pre-existing debt iceberg. By the early 2030s, annual federal deficits were projected to climb to \$2 trillion or more because of unfunded liabilities for Social Security, Medicare, and other entitlements.

Now, we must layer the current cost of COVID-19 on top. Here are the projections from the Congressional Budget Office just for 2020. Start with the pre-existing \$1 trillion operating deficit. Add \$2.2 trillion for the business loans, unemployment-insurance expansions, and other kinds of federal relief already enacted. Then add another \$500 billion for direct effects on the federal budget such as higher Medicaid utilization and lower tax collections.

That takes the deficit for this year alone to \$3.7 trillion. Brian Riedl, a fiscal analyst for the

Manhattan Institute, is more pessimistic about the budgetary effect and projects a \$4.2 trillion deficit for 2020.

Furthermore, all analysts agree COVID-19 will dampen revenue and heighten spending beyond this year. Riedl's estimate is the effects of the Great Suppression will translate into \$8 trillion in deficits over the decade. The national debt would rise to \$41 trillion by 2030, or 128% of the gross domestic product projected for that year. "This would exceed the national debt at the height of World War II," he observes.

It gets worse, though, because politicians — and in fairness, we the public in our panicked state — don't seem to be finished with COVID-19 relief. There is talk of still more grants and loans for distressed businesses and still more massive bailouts of state

and local governments.

"Let's get Washington to pay for it!" many insist. Many in the rest of the country are saying the same. Essentially, they dream of filling up their side of the bathtub by scooping water from the other side. There will be lots of splashing around. But the math doesn't work. State taxpayers are also federal taxpayers.

Boosting federal debt is not an alternative to paying our bills. It merely delays when the bill is due, while increasing the size of that bill by incurring interest payments.

Saving lives and shielding households and businesses from immediate ruin may well be objectives worthy of the money we are spending. But that's the point: We the taxpayers are incurring the expense, not "the government."

## COMMENTARY

# The festivals are silent, but we may now need music more than ever



**JOHN TRUMP**  
MANAGING EDITOR

Jens and Uwe Kruger, with bandmate Joel Landsberg, are three of the best string musicians on the planet.

Jens and Uwe were born and raised in Europe, but, collectively, the Kruger Brothers play a brand of American music that's simultaneously sweet, soulful, simple, and complex.

Since 1997 the band has played MerleFest, a nationally celebrated Americana music festival in Wilkesboro, where, coincidentally, the band calls home and where it holds a music festival of its own.

The Kruger Brothers played MerleFest again this year, on the last Thursday in April. Just as scheduled.

No one came. They played anyway. To empty green fields, not a chair or fan in sight.

It's like that these days. A slew of N.C. music festivals have fallen victim to the COVID-19 pandemic and to Gov. Roy Cooper's statewide lockdown.

Bluegrass legend Doc Watson founded MerleFest, named in memory of his son, in 1988. It's the biggest fundraiser for Wilkes Community College and typically draws some 80,000 over a four-day weekend, which includes 13 stages and some 70 artists. The festival brings in millions for Wilkes and surrounding counties, and more than 75 civic, institutional, and community groups earn at least \$500,000 through food and shuttle services, county officials say.

All gone this year. It's a familiar story, of course. A cliché, really.

North Carolina is an all-star jam band of festivals celebrating American traditional and bluegrass music. The starry list includes the annual International Bluegrass Music Association World of Bluegrass Festival in downtown Raleigh. For now, that festival, which brings thousands of people to the capital, is still on as scheduled, Sept. 29-Oct. 1. The inaugural Earl Scruggs Music Festival, in early September in Mill Spring, is on, too. So is Carolina in the Fall, the Krugers' festival, in Wilkesboro.



**MUSIC CAN BE HEALING.** Scythian is Celtic and old-world rock finished with a healthy splash of bluegrass.

The N.C. FolkFest in Greensboro, Sept. 11-13, is, too, in a modified form, say organizers.

For now.

Festival websites offer a similar disclosure, using words such as uncertain, unprecedented, trying, challenging. These are the hopeful ones. Others, scheduled for the spring, are, by necessity, more to the point.

As in "canceled."

So says the site for the Shakori Hills Grassroots Festival in Chatham County. Same for the Bluegrass Island Festival in Manteo.

The fiscal toll of the state-mandated lockdowns is unimaginable. The mental toll, a result of the inherent closures because of social distancing, is, too, inconceivable, though more difficult to quantify. Just try to pull back, to uncover, the layers of hurt left by the shutdowns and suppressions. I have tried. I stop with the first wave of nausea.

Bands that rely on shows and festivals as a primary source of income are finding other ways to make money. But music remains close by, long shadows that will never fade to black. They work on new songs, on new albums, which they'll release without parties or fanfare. They play live shows in

**The fiscal toll of the state-mandated lockdowns is unimaginable. The mental toll, a result of the inherent closures because of social distancing, is, too, inconceivable, though more difficult to quantify.**

their living rooms for people they can't see. They ask for tips on Venmo and PayPal along with moral support. They struggle to connect to their fans, to people who faithfully show up to hear them perform in this town or that. People who are always there for them. People who feed their creativity and inspiration. And give them love.

A band called Scythian brought me to MerleFest so many years ago, and, as I once wrote, I've never left.

Scythian, as I've written, is Celtic and old-world rock finished with a healthy splash of bluegrass. Dan and Alexander Fedoryka, first-generation sons of Ukrainian

immigrants, founded Scythian in the early 2000s.

"A double-shot of energy and high-proof rhythm, from a group of the most genuine people one would ever meet," I wrote. "Watch the band live, and try to sit still. I dare you."

To get to MerleFest, says Dan Fedoryka, the band "crawled through the kitchen window." Before Scythian became the proverbial MerleFest "house band," band members set up outside the festival gates as people streamed through.

MerleFest organizers eventually let them in. Scythian, too, has never left.

"Officially," Scythian has played every MerleFest since 2007, as many as four shows in a day and as many as nine over the four days. Scythian, based in Front Royal, Virginia, has a big, dedicated following. These people miss Scythian. Scythian misses these people.

"I love the chaos of it," Alexander Fedoryka told *Carolina Journal*. "We always say we just want to play as much as we can. ... It's a blast. No rest, but we wouldn't have it any other way."

The band now sets up in someone's living room, playing shows

they call "Quaranstreams." They still interact with fans, in a virtual way. It works, for now, he says. Still, he says things feel a bit untethered. Lost. As if somebody cut the band's anchor, setting them adrift. It's the fans, he says, who keep Scythian clear of the storm.

"This terrible thing has happened to our industry, and so many other musicians are in the same shoes, where the train stopped completely.

"Let's not say it's life and death, but it's our livelihood, and [the fans] are now directly carrying us. So, there's a lot of beautiful realizations, and a deeper appreciation, for those fans."

Scythian is a staple of the annual Irish and Celtic festival circuits. The band has watched, cringed, as one after another is canceled. See you next year, they say. Scythian has a new album, "Roots and Stones." They planned to release the CD at MerleFest. Then during the Dayton Celtic Festival.

"We'll figure it out," Alexander says. "It's an odd feeling. As crazy as it might sound, there's a little bit of a feeling of peace. For something this big to happen, where you really have so little control over, you just gotta let it go.

"I've always felt ... you started out playing the streets, and everything is a bonus. You make a few dollars in your case, and it was always this feeling of magic. Like, I can't believe it. I just made enough money for gas or for dinner just because I was playing tunes on the corner."

Scythian hosts its own annual Appaloosa Music Fest held over Labor Day weekend near their home in Virginia's Shenandoah Valley. It's still on. For now.

The price of social distancing is exorbitant.

"We want so badly for the music to happen," Alexander told *CJ*. "I mean, that's us, you know, that's Scythian, and we're going to do everything we can, because we know the value of music, especially in a time like this.

"People have been isolated, and music really brings people together. It can be so healing. We all want to get past this, ... and music is probably the most powerful thing now. It transcends politics. It transcends religious divides. It's so powerful, probably the most powerful unitive force in America right now, and we need this really badly."

PHOTO BY DANIELLE LUSSEY

## COMMENTARY

# Work over past decade means N.C. in better position to recover after pandemic



**ANDY TAYLOR**  
COLUMNIST

The full extent of the damage inflicted by the coronavirus pandemic on North Carolinians and their economy will remain unknown for many months, if not longer. But for the time being we can examine the state of the state going into the crisis. How was North Carolina prepared to meet this unprecedented event compared to others around the region and country? Answers to this question will help us get some idea of the robustness of our recovery.

First: What about our fiscal situation? Interestingly, it's really just OK, despite the efforts made to contain spending over the past decade. The rainy-day fund, so flush just a couple of years ago, was recently raided for hurricane relief. Going into an economic crisis that could plausibly be as deep, if not as lengthy, as the Great Depression, North Carolina is just middle-of-the-pack when the health of states' daily balances is ranked. Still, the good news is we can maintain existing operations for about 45



days without incoming funds, according to Pew Research data. This compares to just three weeks before 2015.

The longer-term prognosis is better. Before March, revenue was about 105% of expenditures. We don't need to dip into today's turbulent debt markets with a poor credit score. We are one of the few states with triple-A ratings from all three agencies. We also have relatively few liabilities. Pew reports them to be only about 10% of personal income. This current crisis will really strain the budgets of states like Hawaii, Illinois, and New Jersey, that are saddled with massive pension and health care legacy costs. You might have even heard the talk of state bankruptcies.

We know the vast majority of people who get sick and die from the virus are elderly or have underlying health issues. As a Southern state, North Carolina is in the top half when it comes to obesity and diabetes, conditions linked to severe COVID-19 outcomes. But we are better than just about the entire region and several Midwest and Plains states, particularly regarding obesity. We are about average when it comes to median age. Densely populated areas seem hardest hit by the disease, and, again, the state is about in the middle when ranked by this measure.

What about health care preparedness? At 2.1 hospital beds per 1,000 people, we are again roughly halfway up the standings. The data

for ICU beds put us in the top 15 states. The same goes for our about 255 practicing physicians for every 100,000 in population. According to Kaiser Family Foundation statistics, we are low in per-capita nurse practitioners but do very well on the proportion of physicians' assistants.

A number of industries have been hit hard. Among those concentrated in particular locations, energy and travel and tourism are perhaps the worst off. We're not a hub for either. We do have a disproportionately large share of workers in animal slaughtering, and this sector is suffering. Other indicators suggest a similarly mixed result. The federal government ranks us in the middle for the proportion of workers employed in small businesses. At about one in 20, according to FlexJobs, we had a mid-range percentage of workers telecommuting going into the pandemic. With a large agricultural sector, however, we're vulnerable to restrictions on migrant labor.

Evaluating our political situation is more difficult. What is ideal under these circumstances? We currently have a divided government, a Democratic chief executive and Republican majorities in both legislative chambers. I think this might actually work in North Carolina's favor. Unable to make policy freely, the political parties

and their leaders are focused on the moment and getting through the immediate crisis. A unified government might have exploited the situation and thrust the state in an ideological direction. A naturally cautious Gov. Roy Cooper would have been pushed by a Democratic General Assembly to increase the size and scope of state government greatly, perhaps irrevocably.

North Carolina, therefore, was in pretty good shape as the crisis hit. It would be wrong to credit its people and government for predicting such a catastrophic event. In hindsight, we could also discover elected officials have adopted the wrong policies in response to the emergency. Cooper's conservative approach to reopening the economy might have killed businesses and cost thousands of jobs. It might, on the other hand, have mitigated the effects of a potential "second wave" of the virus. But it is certainly fair to say that the work we have done over the past decade or so has put us in a position to emerge from this disaster stronger than many other states around the country, and particularly those in our Southern neighborhood.

*Andy Taylor is a professor of political science at the School of International and Public Affairs at N.C. State University.*

## Some collective thoughts about the coronavirus



**MICHAEL WALDEN**  
COLUMNIST

**IT SEEMS AS IF** there is no other topic to discuss today than the coronavirus. I certainly understand why. In my seven decades of life, I don't remember anything hitting our society so swiftly and deeply than today's virus pandemic.

I've lived through the Great Recession, 9/11, the stock market crash of 1987, the falls of Saigon and the Berlin Wall, and the Kennedy and King assassinations. Each of these events was shocking and unpredictable, but in terms of its totality of impact, I rank today's 2020 pandemic as No. 1.

There are many elements and aspects to the virus I've been tracking. In this column I put some

of them together in the hope they'll provide perspective and insight into the current virus crisis.

The best comparison: The current virus has frequently been compared to the 1917-18 pandemic, which killed more than 600,000 in our country and between 50 million and 100 million worldwide. But a better match is the pandemic I lived through in 1957-58 called the Asian Flu. The U.S. lost 116,000 people, and the worldwide death toll was between 1 million and 4 million. Although businesses weren't ordered to close, many did due to numerous sick workers. A six-month recession occurred, with production in the worst months falling 10%. My father lost his small business, and he never recovered it.

Questioning the stock market: During a recent week when the national death toll from the virus mounted, the stock market soared. Many of my friends were confused, with some thinking the market simply was stupid or even heart-

less. Yet there's a simple explanation. Investors in the stock market are always looking ahead. During the week the market rose, investors saw two future positives. One was new forecasts suggesting a much lower death total from the virus. Second was an announcement by the Federal Reserve saying it would make loans to private companies and states and cities.

Comparing costs and benefits: Governments at all levels have enacted unprecedented mandates restricting business activity and personal interactions. This is the major reason jobs have been cut, businesses have lost revenues, and the economy is now in a recession. It's been argued these restrictions and economic costs have been necessary to restrict the virus's spread, lower virus-related deaths, and prevent the health care system from being overwhelmed.

This is a typical benefit/cost trade-off, yet how do we measure it? Financial losses from closed

businesses and higher unemployment can be measured in dollars and cents. What's tougher is putting a financial value on a life. Typically, analysts can look at only part of that value, specifically lost future earnings when a person dies.

Recently, two economic think tanks independently estimated the future earnings saved from reducing deaths from the coronavirus due to locking down parts of the economy. Surprising to me, they reached similar conclusions — a total of \$8 trillion in remaining lifetime earnings is expected to be saved as the result of mitigation efforts such as social distancing, reduced movement, and stay-at-home orders. This number then needs to be compared to the estimated \$500 billion monthly losses in the economy from the same economic restrictions.

Business changes: Many futurists think public and private decision makers will re-evaluate globalization as a result of the virus, with

a shift from foreign to domestic production for key products.

North Carolina could gain from this change. Our state has a long history of apparel production, so increasing the domestic making of items like hospital gowns and masks is a logical fit.

The virus crisis has also exposed the country's reliance on foreign producers for many medicines. With a large pharmaceutical sector, North Carolina would be a logical location for a ramp-up of U.S. production of these important items. North Carolina has a larger relative concentration of manufacturers than the nation.

The virus crisis is expected to last several more months. But already we are realizing there may be many lasting comparisons and implications of the deadly disease.

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

# COMMENTARY

## It's time to rethink the employer-sponsored health insurance model



**JORDAN ROBERTS**  
HEALTH CARE POLICY ANALYST  
JOHN LOCKE FOUNDATION

As our country looks to rebound from the coronavirus, it's fair to say we may change things we considered normal. Office workspaces could transition gradually more into remote working, massive social gatherings could be subject to additional safety measures, and retail shopping could have a different look, to name a few. Another example of something familiar to the American people that I believe needs to be re-evaluated: the employer-sponsored health insurance model.

Employer-sponsored health insurance was born out of wartime regulations during World War II. To keep price inflation low, the federal government imposed wage freezes on employers. At the same time, the federal government exempted health benefits from taxation so that businesses could stay competitive in hiring. Combining these policies ushered in the contemporary model of employer-sponsored health insurance that about half of Americans are enrolled in today.

While some benefits are offered by the employer-sponsored health model, health insurance should be disentangled from employment for two reasons. First, businesses, especially those with self-insured plans, are charged arbitrary,



often exorbitant rates that don't correlate to any quality or value. The result is employers overspend by thousands each year. Second, while changes to employment happen often, the need for health care does not. If an employee changes jobs or loses a job, the employee might lose needed health coverage.

Unwinding health insurance from employment would likely reduce health care spending, thereby reducing the cost of insurance. According to the Kaiser Family Foundation, the average family premium in 2019 rose to \$20,576, with workers paying, on average, \$6,015 of the total cost. Baked into these costs are the brokerage fees and administrative costs inherent in health insurance. As the cost to employers has increased, employ-

ers are shifting more of the costs to employees in the form of higher deductibles. KFF data show the percentage of employees covered by a health plan that has a deductible of \$2,000 or more rose from 18% in 2014 to 28% in 2019.

So much spending in employer-sponsored health care surely equals high-quality, high-value care, right? Not quite. One of health care's central paradoxes is that prices usually aren't signals of quality or value. Furthermore, in any given metropolitan area, there could be two employers paying vastly different rates for the same procedure with very little difference in quality. For example, a study from the RAND Corporation examined \$13 billion in hospital spending from 2015-17 in 25 states. The researchers found

**Unwinding health insurance from employment would likely reduce health care spending, thereby reducing the cost of insurance.**

that hospital prices, especially for outpatient services, varied widely among hospital systems by as much as six times what Medicare would pay for the same service.

To illustrate, consider a midsize firm with a self-insured employer plan. Self-insured means the firm doesn't pay premiums to a health insurance company and instead pays for claims directly, but an insurer usually administers these plans. Let's say the company's employees needed 50 MRIs last year. The company is in a city that has three different providers offering MRIs. Provider A's MRI costs \$3,000, provider B's MRI costs \$1,500, and provider C's MRI costs \$500. Of the 50 employees who need an MRI, 20 went to provider A, 15 went to provider B, and 15 went to provider C. The total amount for these claims was \$90,000. Now imagine if every one of these employees went to provider C. The total amount for these claims would be just \$25,000. This employer could have saved \$65,000 only by steering patients to a low-cost provider for MRIs. This was only one example, using an MRI. It's not hard to imagine how much cost savings could be

found if a similar analysis was done for all of this firm's claims.

Furthermore, stay-at-home orders and mandatory business closings have resulted in widespread unemployment at levels not seen since the Great Depression. Since half of Americans get their insurance from work, job loss could mean the loss of employer-sponsored insurance. This happens because employers, not employees, own the health plan in most cases. Despite the benefit of having employer-sponsored insurance as opposed to buying your own, the model leaves employees vulnerable. While the COVID-19 pandemic is a rare case, it illustrates the primary shortfall: Employment status can change abruptly, causing employees to lose coverage. This wouldn't be the case if health insurance wasn't tied to one's job.

I believe it's time to get employers out of the business of providing health insurance. The federal government should reverse policies that created a system of employer-provided health insurance. For years, employer-sponsored health insurance costs have increased. Employers are spending unnecessary amounts each year on procedures in which the cost has no relationship to quality or value. Employees are typically the ones who end up assuming the rising health care costs in the form of higher out-of-pocket costs and lower wages. As we move toward a post COVID world, employer-sponsored insurance is a model, which, I believe, needs to be reconsidered for the good of employees, employers, and the health care system.



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