



**CJ welcomes new editor**

Veteran journalist Donna King will lead *Carolina Journal* as its new Editor-in-Chief. Read what she has planned.

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**Wounded Heroes Day**

Gov. Roy Cooper signed House Bill 138 recognizing April 24 as Wounded Heroes Day.

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# CAROLINA JOURNAL

AN AWARD-WINNING JOURNAL OF NEWS, ANALYSIS, AND OPINION FROM THE JOHN LOCKE FOUNDATION      [CAROLINAJOURNAL.COM](http://CAROLINAJOURNAL.COM)      VOL. 30 • NO. 5 • MAY 2021 • STATEWIDE EDITION



## LEGISLATIVE PRIORITIES



***ENSURING LIBERTY AND ECONOMIC FREEDOM FOR FUTURE GENERATIONS***

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### Pardon our dust...

In the coming months, we will redesign the print edition, coming to you when the current North Carolina legislative session ends. A redesigned, more robust website and daily email newsletter are in development. See you in August!



**CAROLINA JOURNAL**  
4800 SIX FORKS ROAD, #220  
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 [editor@carolinajournal.com](mailto:editor@carolinajournal.com)



# CAROLINA JOURNAL



## PUBLISHER

Amy O. Cooke  
@therighttaoc

## EDITOR-IN-CHIEF

Donna King  
@DonnaKingCJ

## MANAGING EDITOR

John Trump  
@stillnbarrel

## OPINION EDITOR

Ray Nothstine  
rnothstine@lockehq.org

## STAFF WRITERS

Dallas Woodhouse  
dwoodhouse@lockehq.org

## CONTRIBUTORS

David Bass  
Andrew Dunn  
Johnny Kampis

## DESIGNER

Greg de Deugd  
gdedeugd@lockehq.org

## PUBLISHED BY



The John Locke Foundation  
4800 Six Forks Road, #220  
Raleigh, N.C. 27609  
(919) 828-3876 • Fax: 821-5117  
www.JohnLocke.org

John Hood  
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Hood, Ted Hicks, Christine Mele,  
Rodney C. Pitts, Paul Slobodian,  
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Edwin Thomas  
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FROM THE PUBLISHER

## History repeats itself



My undergraduate degree is in journalism, and my graduate degree is in history. That just means I'm interested in the history of journalism.

In our constitutional republic, the importance of a free and honest press and informed citizenry can't be overstated. As I look at the state of media today, I'm thankful that independent news outlets have broken the information industrial complex's monopoly on the flow of information. Americans don't have to rely on just a handful of sources to gather news and information. *Carolina Journal* has certainly been a part of breaking that monopoly.

As I reflect on the history of journalism, I'm saddened by what most traditional media outlets have become — unquestioning, uncritical propagandists for the leftist narrative that comes from the Democratic executive branches in both Washington, D.C., and North Carolina. It also includes a loathing for almost anyone on the right. This isn't the first time that the

media have been used as a tool of the ruling executive class, proving that history does repeat itself.

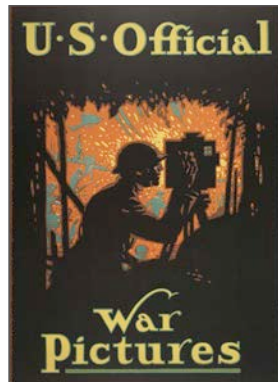
The closest comparison comes from World War I. In April 1917, following an official declaration of war on Germany, President Woodrow Wilson created the Com-

mittee on Public Information. Led by former investigative journalist George Creel, CPI's mission was to change public opinion by selling the war to the American public. CPI bombarded Americans with print and newsreels portraying Germans as brutish apes who must be destroyed. It was against the law to express doubt publicly about the war or criticize the federal government

over it. News outlets complied, and it worked.

The constant propaganda gave rise to vigilantes. Casual criticism could result in a mob beating, being tarred and feathered, or worse. No jury would convict perpetrators out of fear of reprisal. Sound familiar?

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President Woodrow Wilson created the Committee on Public Information in 1917.

## COMMENTARY BY JOHN HOOD



## No, inequality is not increasing

EVERY ARGUMENT has three parts: definitions, premises, and logical reasoning. When conservatives and progressives disagree about a specific issue, each side often leaps to the conclusion that the other side is being illogical (or dishonest or stupid).

In my experience, however, most disagreements don't stem from faulty reasoning. We usually disagree because we don't accept the same sets of facts. Or we define our terms in very different ways.

For example, are the incomes of North Carolinians and their counterparts in other states diverging in unfair and dangerous ways? Are the richer getting richer and the poor getting poorer —

as the middle class disappears?

Most progressives say yes. Most conservatives say no. I'm in the latter camp and have devoted hundreds of columns, many lengthy articles and monographs, and large swaths of my books to exploring the subject in some detail. It's a technical debate, in part, having to do with alternative ways of measuring incomes, living standards, and price changes. But the core dispute is about whether government efforts to redistribute income ought to be counted fully in income comparisons.

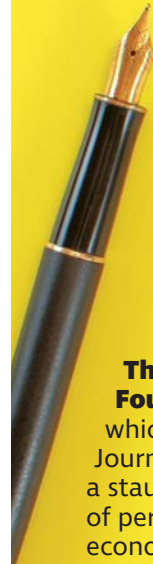
I think the answer to that question is clearly yes. If govern-

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# LEGISLATIVE PRIORITIES

★★★★★★★★★★★★★★★★

## ENSURING LIBERTY AND ECONOMIC FREEDOM FOR FUTURE GENERATIONS



### The John Locke Foundation, of

which Carolina Journal is part, is a staunch defender of personal liberty, economic freedom, and constitutional government. Toward that goal comes legislative priorities, to ensure those liberties and secure them for future generations of North Carolinians.

Among those priorities are limiting the governor's emergency powers and protecting worker freedom. Protecting donor privacy and school choice. Passing constitutional amendments to ensure free and fair elections and enshrining into law a Taxpayer Bill of Rights.

"The past year has brought into perspective the importance of a free society," says Becki Gray, senior vice president at the John Locke Foundation.

"Government overreach presents itself in many forms; some are more obvious than others, but all are a threat to our individual liberties.

The legislative priorities of the John Locke Foundation take aim at the areas in which our freedoms need to be protected most: from reforming the Emergency Management Act to ensuring parents have control over their child's education to guarding against runaway government spending.

"Conservative leadership in the state has put us on the right path, and we hope to build on that success by promoting policies that ensure a prosperous North Carolina for all."

**This issue of CJ is dedicated to some of those priorities.**

CAROLINA JOURNAL PHOTO STORY BY MAYA REAGAN





CAROLINA JOURNAL



**WELCOME ABOARD.** Veteran journalist Donna King to lead *CJ* as editor-in-chief

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Letter from the editor...

Welcome to *Carolina Journal*. Like you, we are a group of passionate, intellectually curious readers with a love of liberty, our country, and the great state of North Carolina. My name is Donna King, and I joined *CJ* as editor-in-chief in April. I am honored to be a part of this mission-driven group of writers and reporters who know the history of our state and how government can make life easier, or more difficult, for individuals to make their dreams a reality.

I grew up in the capital city of Raleigh and married my high school sweetheart. We attended N.C. State University, after which Ron was commissioned in the U.S. Air Force. We moved around the country before finding a home in the Washington, D.C., area, where I enjoyed a career in a variety of local, national, and international news outlets and worked on Capitol Hill. We moved with our three children back to North Carolina in 2007 to be near family, but also because this is our home and here we could better instill the values that will sustain our children through their lives.

I cherish the career experience my front row seat to some historic moments has afforded me, but covering Washington also allowed me to clearly see the coming challenges and potential of the news industry. News in the age of the internet, cell phones, and live video streaming means there's virtually no "price of admission" for disseminating information, and the news cycle has gone from 24 hours to 24 minutes. *CJ* taps into what's missing in the media landscape, and we will continue our legacy of bringing you in-depth analysis of current events and policy in our state.

However, there are exciting plans underway to broaden our reach. We will deliver a deeper dive into state news for those who have come to know and trust us, while finding a larger audience among those who may get our products in new ways. Regardless of additional paths, we will never veer from advocating for future generations to enjoy a growing economy, low taxes, a stable and educated workforce, and a home state rich in tradition, innovation, and freedom.

The challenge of being a consumer and reporter of news today is the wide variety of sources at your fingertips. Getting information to you, the reader, is only half of our journey. Sharing analysis from our policy experts on how these policies affect your community, your family, and your future is a critical part of the *CJ* story.

Please enjoy this issue of *CJ*, and "pardon our dust" as we make positive changes. In the coming months we will use this time to redesign the print edition, coming to you when the current N.C. legislative session ends. A redesigned, more robust website and daily email newsletter are in development. In the meantime, for news and analysis of day-to-day events, you can find us on social media channels and at [carolinajournal.com](http://carolinajournal.com).

This month we are highlighting the news from your General Assembly, governor, and how decisions made in Raleigh can impact your life, property, and business. Read on, and thank you for being a part of our team.

Sincerely,

Donna King  
Editor-in-chief, *Carolina Journal*

A large teal rectangular block containing a white and yellow striped diagonal line in the top left corner and a yellow traffic cone at the bottom left. A white ladder graphic is positioned on the right side.

# Pardon our dust...

In the coming months, we will redesign the print edition, coming to you when the current North Carolina legislative session ends. A redesigned, more robust website and daily email newsletter are in development. See you in August!



**RALEIGH PROTEST.** A group of protesters took to the streets of downtown Raleigh on Friday, April 23rd after the death of Andrew Brown in Elizabeth City, North Carolina. Cries to defund the police echoed throughout the streets of downtown as the group made their way to Morgan Street Food Hall where they stopped to harass restaurant goers. The group dispersed around 9:45pm.

@MayaReagan\_

CJ PHOTOS BY MAYA REAGAN



# LEGISLATIVE PRIORITIES



*ENSURING LIBERTY AND ECONOMIC  
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## Proposed constitutional amendments

Measures would limit state spending, restrict eminent domain, preserve right to work

BY ANDREW DUNN AND CJ STAFF

The General Assembly is considering several new amendments to the state constitution designed to protect taxpayers, landowners, workers, and voters.

A two-thirds majority in both the state House and Senate is required to put the proposed amendments on the ballot in 2022. Gov. Roy Cooper, a Democrat, does not have veto power over constitutional amendments. Lawsuits have challenged prior amendments. This includes the amendment to create a voter ID requirement, which passed in 2018 but is not currently in effect.

Here are four constitutional amendments *Carolina Journal* is tracking.

### Creating a Taxpayer Bill of Rights

The General Assembly now has wide latitude to spend taxpayer dollars. A proposed constitutional amendment would limit increases in spending and make tax increases more difficult.

Called the Taxpayer Bill of Rights and introduced by Sens. Bill



**TAXPAYER BILL OF RIGHTS.** Sens. Bill Rabon, R-Brunswick, Paul Newton, R-Cabarrus (pictured), and Warren Daniel, R-Burke, introduced Senate Bill 717, which would put a slate of measures on the ballot to enshrine a limit on taxing and spending into the state constitution.

Rabon, R-Brunswick, Paul Newton, R-Cabarrus, and Warren Daniel, R-Burke, Senate Bill 717 would put a slate of measures on the ballot to enshrine a limit on taxing and spending into the state constitution.

First, state spending increases each year would be limited to inflation plus growth in the state's population. The formula would use the averages for the three prior years and would apply to the General Fund and highway spending.

At least 15% of increases in tax revenue would need to be set aside in the savings reserve fund, and a

two-thirds vote in each chamber of the General Assembly would be needed to spend money in that savings fund.

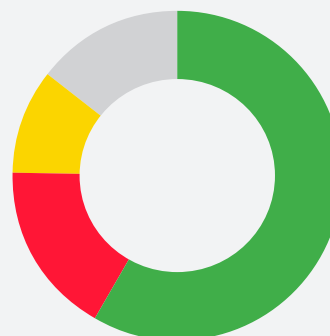
The new amendment would also require the state and all its counties, cities, and towns to put to a vote any new tax or tax increase. The tax increase could not go into effect unless a majority votes to approve it.

Under an amendment passed in 2018, the General Assembly is limited to imposing an income tax rate of no more than 7%.

Since taking over the legislative majority in 2011, Republicans

### Public support for Taxpayer Bill of Rights

**POLL QUESTION:** "Would you support or oppose an amendment to the North Carolina state constitution that would limit the growth of state spending to inflation plus population growth, require yearly deposits in a Savings Reserve or Unfunded Liability Reserve, return excess revenue to taxpayers, and submit tax increases to a vote of the people?"



■ SUPPORT **58.4%**  
■ OPPOSE **17.1%**  
■ NEITHER **10.1%**  
■ UNSURE **14.4%**

This was a poll of 600 likely voters with a margin of error of plus or minus 4.0%.

more than a century.

In the decade before, Democrat leaders raised sales taxes for everyone and income taxes on businesses. When economic times got tough, the fiscal steps the state took to survive were even tougher.

"If you take a look at how the state has weathered this year compared to the economic crisis under Governors Easley and Perdue, it proves that the current fiscal strategy works," said Joe Coletti, John Locke Foundation senior fellow in fiscal studies. "Under Easley and Perdue, Democrats raised taxes, cut state employees, and Easley even tried to cut contributions to the state employee pension fund, until the Supreme Court said it was unconstitutional."

Fast forward to today. The state's tax rate is at 5.25% for individuals and 2.5% for businesses. Republicans propose further cuts, including a boost to the standard deduction. That's down from a tiered tax system topping out at a 7.75% individual tax rate as recently as 2013. The now \$1.2 billion rainy-day fund has helped recovery from Hurricanes Matthew and Florence and will likely be used during the economic recovery from 2020. Cooper and Democrats have opposed further tax cuts and endorsed tapping the rainy-day fund for a variety of expenditures, including teacher raises.

"The reason to put it in the Constitution is to take away an avenue to raise spending and raise taxes in irresponsible ways," said Coletti. "A Taxpayer Bill of Rights amendment institutionalizes the good fiscal practices from the past decade, saving money now so nobody has to take extreme measures in difficult times, raising taxes or cutting

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# LEGISLATIVE PRIORITIES

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services and state employees.”

North Carolina isn't alone in turning to a constitutional amendment as an insurance policy against runaway tax-and-spend policy. In Colorado, a Taxpayers Bill of Rights was added to the state constitution in 2000. Since then, the state's spending has been relatively slower than similar states. Colorado has even strengthened the Taxpayers Bill of Rights to make large fees subject to voter approval.

The effort may sit well with N.C. voters, too. In March, the John Locke Foundation polled a Taxpayer Bill of Rights provision among likely voters and found 58% support for it. Only 17% opposed the idea, while 24% either had no opinion or were unsure.

Why the Taxpayer Bill of Rights now? Limiting the growth of government over the past decade has contributed to economic growth and set North Carolina on a path of long-term economic health. Supporters of the measure say restraint is worth enshrining in our state constitution to protect from future fiscal recklessness.

Now, budget experts see red flags in Cooper's newly released budget priorities. For example, Cooper's Medicaid expansion plan would add at least 623,000 people to the Medicaid entitlement program.

“There are a few items in Gov. Cooper's budget that could really blow up state spending in the next two to four years,” said Coletti. “In his budget, Cooper claimed Medicaid expansion was free because he would use \$1.2 billion in extra federal money a year over the next two years. The state would have to find that money in year three and subsequent years.”

Cooper also included in his budget a \$4.7 billion bond and other borrowing that does not require voter approval, raising concern among some Republicans about future debt for state taxpayers as they recover from pandemic shutdowns and school closures.

“That is a lot of money that would be due from taxpayers in a few years, and we can't afford that,” said Coletti. “It's either going to require raising taxes or cutting expenses, and either way North Carolinians lose.”

## Restricting eminent domain powers

Under current law, the government can take people's private property for public use or for projects that provide a “public benefit.” This “eminent domain” power can be used for things such as roads, sewer systems, or schools — or to hand the land over to a private developer.

A proposed constitutional



**EMINENT DOMAIN EXPERT:** “State and local governments throughout the country have a long history of abusing that power to benefit well-connected industrialists and property developers rather than the public.”

amendment would strike the “public benefit” portion, restricting the state's eminent domain powers to public-use projects only.

The amendment would also require just compensation for the taking by eminent domain and allow landowners to receive a jury trial to decide whether the price offered is fair.

Versions of the bill have been introduced in both the Senate and the House. The House version passed with an overwhelming majority. The fate of the Senate version, as of this writing, is uncertain.

Jon Guze is senior fellow in legal studies at the John Locke Foundation.

“State and local governments throughout the country have a long history of abusing that power to benefit well-connected industrialists and property developers

rather than the public,” he writes. “Compared to other states, North Carolina does a poor job of protecting property owners from that kind of abuse, and, for many years, JLF has advocated statutory and constitutional changes that would improve matters.”

The House bill, a statement says, proposes the state constitution be amended to prohibit con-

demnation of private property except for a “public use” and to require the payment of just compensation for the property taken in an amount to be determined by jury trial, if requested, by any party. Current law allows condemnation for “public use or benefit.”

The bill also makes statutory changes to detail the purpose for which property may be taken by eminent domain as “public use” and clarifies the types of construction projects for which private property may be acquired by eminent domain by public and private condemnors. It would permit condemnors to acquire property by eminent domain for the connection of utility customers.

Rep. Dennis Riddell, R-Alamance, a primary sponsor, said the

House repeatedly approved similar legislation in the past decade because it represents vital rights for the people of North Carolina. The legislation has typically died in the Senate.

“This legislation is necessary to prevent overreach of state government into property takings that are not for a public use, but rather benefit private development,” Riddell said.

“We are currently the only state in the nation that does not have just compensation guarantees in our state constitution for government takings. That is a big concern for the people.”

Last summer, Locke and N.C. Advocates for Justice filed a joint amicus, or “friend-of-the-court,” brief in support of a Wake County property owner, Beverly Rubin, who has spent the past several years in a legal battle with the town of Apex over a sewer line that the town installed across her property in 2015.

It was a taking for private purposes, the court has ruled, as opposed to a public taking. The state constitution forbids the former. Still, the battle continues.

“It's very important,” Guze said in a *CJ* video interview, “that however this plays out, we need to vindicate that principle. We don't want towns and cities, or any government, to be able to take property for a private person, only if it's a public purpose.”

The N.C. Court of Appeals recently heard the case, the latest step in the protracted legal battle. Problem is, Apex already installed the line, which now serves a subdivision.

“Now we have this awkward situation, where 50 homeowners are depending on that sewer,” Guze said. “All the alternatives are expensive, it's going to take time, and there's going to be a lot of inconvenience involved.”

It's a hard call for the court, Guze said. The case has no precedent, though it's possible this case could change that.

Rep. Dean Arp, R-Union, also a

bill sponsor, said of the House measure: “There is no liberty when the government can take your property, or your freedom, without just cause and due process of the highest standards.”

“We all understand there are some instances where the government may properly, with just compensation, declare eminent domain and take private property. But we do not want that great power of the government to be used to take your property and give it to someone else. That's why this constitutional amendment is needed for North Carolina.”

## Eliminating Jim Crow-era literacy test requirement

In 1899, N.C. Democrats passed a constitutional amendment requiring voters to pass a literacy test to cast a ballot, a measure designed to prevent black voters from exercising their rights.

Voters would be asked to interpret a section of the constitution, with all-white elections officials given wide leeway to determine who passed. Black people were given more difficult questions and not allowed to pass.

The amendment became null and void in 1965, when the federal Voting Rights Act went into effect and outlawed any such requirement. But the language of the literacy test remains in the state constitution.

A bill with widespread support in the General Assembly would ask voters to remove the Jim Crow relic. The measure in front of voters would simply repeal the language in the current version of the constitution: “Every person presenting himself for registration shall be able to read and write any section of the Constitution in the English language.”

So why hasn't the General Assembly tried to remove the literacy test from our state's constitution? asks Andy Jackson, director of the Civitas Center for Public Integrity at the John Locke Foundation. Two reasons, Jackson writes.

First, although the state constitution contains a literacy test, it is inoperative, because, as mentioned, the Voting Rights Act of 1965 functionally banned the use of literacy tests nationwide. The U.S. Supreme Court has upheld the ban.

It is part of a long list of state constitutional provisions and laws held pre-empted by federal law, on issues ranging from voting rights to weight requirements for the sale of bacon. The fact that the literacy test is inoperative has made its removal less urgent, if not less important, Jackson says.

Second, the General Assembly

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## LEGISLATIVE PRIORITIES

# GA seeks to rein in governor's emergency powers

BY ANDREW DUNN

When COVID-19 arrived in North Carolina, Gov. Roy Cooper, a Democrat, used the emergency powers given to him by state law to restrict businesses and gatherings and to force people to remain in their homes.

More than a year later, Cooper has never given that up.

Now, the General Assembly is considering a host of measures that would revise North Carolina's Emergency Management Act, the law that gives the state's chief executive sweeping powers during states of emergency.

"In a constitutional republic, no one person is vested with unilateral power," Rep. Keith Kidwell, R-Beaufort, told *Carolina Journal*. "I want to make sure that this governor and any future governor works within the bounds of the constitution."

Under current law, either the governor or the General Assembly can declare a state of emergency, and this emergency lasts until whomever created it declares the emergency to be over.

The law then spells out special powers the governor has during these emergencies, including managing state resources and directing law enforcement officers. The law then spells out things the governor can do with concurrence of the Council of State, including mandatory evacuations and controlling public gatherings.



**EMERGENCY MANAGEMENT ACT:** A poorly written provision gives the governor the ability to impose any mandates he wants if he determines local governments cannot handle the emergency.

But the current Emergency Management Act also includes a third subsection giving the governor the ability to impose any restrictions or mandates he wants if he determines local governments cannot handle the emergency.

This poorly written provision is the authority Cooper has cited for many of his executive orders. Last year, then-Lt. Gov. Dan Forest legally challenged the governor's ability to make unilateral decisions without concurrence of the Council of State. The courts upheld the governor's unilateral powers under the Emergency Management Act.

### Fixing a poorly written law

All the bills under consideration would require other bodies to approve of the governor's actions and set automatic expiration dates, not allowing one person to have unlimited power in perpetuity.

Senate Bill 481 forces a state of emergency to expire after 30 days, unless lawmakers pass a law to extend it. The bill also requires the governor to get the approval of the Council of State to impose any statewide orders.

The Council of State includes

the lieutenant governor, state auditor, state treasurer, secretary of state, and other statewide elected officials defined by the N.C. Constitution.

When orders are issued, they must serve a "compelling public health or safety purpose" and be narrowly defined and limited in duration if they infringe on any constitutional rights, such as the right to assemble, religious liberty, and freedom of speech.

A three-judge panel would be empowered to hear challenges to any emergency executive orders.

Other bills limiting the governor's powers simply require other elected officials to sign off on them.

Senate Bill 346 also requires Council of State concurrence but gives the governor 10 days to get its approval. This bill places an automatic end date on emergency executive orders, forcing them to expire after 45 days unless the General Assembly votes to extend them.

Under both House Bill 264 and Senate Bill 312, N.C. governors could exercise emergency powers for only seven days before needing to get the approval of the Council of State for any executive orders. Then, the council would need to concur every 30 days to keep emergency orders in effect.

"Our statutes regarding emergency powers have a lot of ambiguity," said Rep. Tim Moffitt, R-Henderson, one of the primary sponsors of the House bill. "I think it's

important to establish a clear process for state of emergency declarations that increases accountability and transparency in the executive branch without impeding the ability of any governor to address our state's immediate needs. This is a good governance bill that will restore trust in our state's leadership regardless of who is in the governor's mansion."

These bills would put N.C. law more in line with other states. Few other states allow states of emergency to last for an unlimited amount of time, often requiring extensions every 30 days. States including Alaska, Kansas, Utah, and Washington have laws requiring their state legislatures to approve a governor's state of emergency if it is to last longer than 30 days.

All the N.C. bills would require the governor's signature to go into effect unless the General Assembly can override a veto. Cooper has zealously defended his own power, and presumably would veto any bill that would limit that power.

Republicans are close to a supermajority in each chamber of the General Assembly, but do not have the three-fifths majority — of members present — needed to override a veto with only the votes of their party. Legislative leaders have struggled to override vetoes over the past three years, as Democrats broke the supermajority and Republicans have failed to persuade them to cross the aisle.

# Bills would expand access to school choice scholarships and grants in N.C.

BY CJ STAFF

More help could soon be on the way for low- and moderate-income N.C. families seeking to send their child to a private school.

Republican lawmakers have introduced similar bills in the House and Senate that would expand and strengthen the state's popular Opportunity Scholarship Program. Created in 2013, the scholarships are designed to help families who would otherwise struggle to afford private-school tuition but who want to leave their locally zoned public school.

House Bill 32 passed that chamber in a party-line 69-49 vote in April. It removes the current scholarship cap of \$4,200 per year and substitutes a formula allowing scholarship recipients to share in

70% of the funding the state sets aside per pupil. That figure eventually scales up to 80%.

The bottom line is that students would qualify for up to \$4,610 a year and then ratcheting up to \$5,269, based on current per-pupil funding rates.

"It's unconscionable that we would deny low-income parents the choice available to other citizens of North Carolina, where they have other educational opportunities," said Rep. Dean Arp, R-Union, the bill's primary sponsor.

The Senate version — Senate Bill 671 — is even more generous in raising the amount available to qualifying families, up to a maximum of \$6,500 annually. But the House version adds an extra financial kicker in the form of permitting local school districts to allocate an additional \$1,000 in local funding

per scholarship recipient, on top of the state funding.

Another area in which the two bills differ slightly is household income needed to qualify for the scholarship. Under current guidelines, a family of four could gross up to \$49,025 per year and still qualify for the full scholarship amount. That annual income could even stretch to \$73,538 per year, and a student would still receive 90% of the tuition amount.

H.B. 32 would keep the income limits at the current level — 150% of income needed to qualify for the federal free and reduced-price lunch program — while S.B. 671 would expand that figure to 175%. That is \$85,794 per year for a family of four.

The bill would also set aside \$500,000 for the state to partner



**SCHOOL CHOICE.** N.C. Superintendent of Public Instruction Catherine Truitt has also favored school choice but wants to see opportunity scholarships continue to be restricted to low-income families.

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LEGISLATIVE PRIORITIES

# Lawmakers to tackle several broadband-related bills that could help bridge digital divide

BY JOHNNY KAMPIS

Some broadband-related bills now circulating in the General Assembly could help speed up broadband deployment and create more accurate mapping of unserved areas, which would help close the digital divide, experts say.

One of the pieces of legislation getting the most traction is Senate Bill 689, County Broadband Authority. This bill would require a city or electric cooperative to replace a utility pole as needed on request from providers with attachments on the pole.

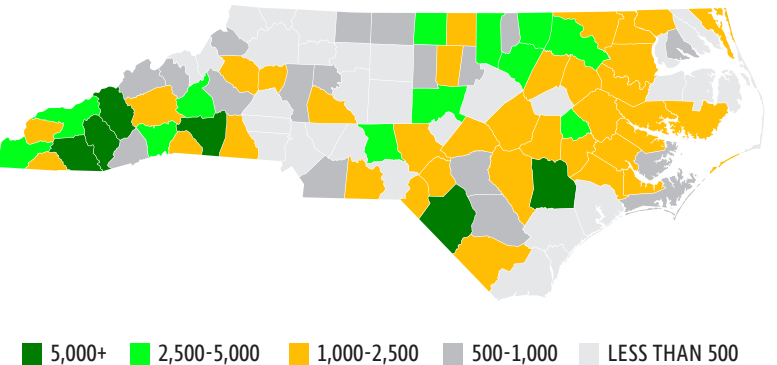
The legislation would also limit how much the pole owners can charge for the cost of the replacement.

The bill also would task pole owners with acting quickly and establish a “shot clock” of 120 days for the N.C. Utilities Commission to resolve any disputes in an unserved area.

Jon Sanders, senior fellow in regulatory studies for the John Locke Foundation, told *Carolina Journal* that S.B. 689 incorporates many of the items he recently highlighted in a policy report.

“It respects the urgency of the situation in connecting these unserved areas with broadband,”

Rural Digital Opportunity Fund locations by county



N.C. counties with the most Opportunity Fund locations

County	Locations	Assigned Support
Jackson	11,160	\$16,994,261.20
Macon	8,191	\$9,009,136.30
Duplin	7,241	\$7,654,012.60
Rutherford	5,897	\$7,053,643.00
Robeson	5,715	\$5,702,070.30
Haywood	5,703	\$7,638,312.90
Caswell	4,393	\$3,267,745.20
Chatham	3,725	\$2,474,768.40
Halifax	3,593	\$3,986,896.10
Henderson	3,511	\$3,657,221.10

N.C. counties with the most Opportunity Fund support

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Haywood	5,703	\$7,638,312.90
Rutherford	5,897	\$7,053,643.00
Robeson	5,715	\$5,702,070.30
Swain	3,413	\$5,297,362.50
Halifax	3,593	\$3,986,896.10
Jones	1,586	\$3,874,866.00
Martin	2,285	\$3,843,011.00

SOURCE: FEDERAL COMMUNICATIONS COMMISSION

Sanders said. “These disputes can add a lot of cost and uncertainty to these projects.”

Sanders said utility poles are “the center of distributing high-

speed broadband and a significant expense for companies doing the work,” and that barriers to rural deployment can be overcome with cost sharing and a uniform policy for pole

attachments and replacement.

Jay Rouse, director of government affairs at the N.C. Association of Electric Cooperatives, told *Carolina Journal* that cooperatives don’t overcharge providers to replace poles. “We’re just trying to recover our costs,” he said.

Rouse said that if cooperatives can’t charge their actual costs to replace poles, that could ultimately lead to increased power rates.

“We do not believe it is good public policy to shift these costs back to use, which trickle down to our member-owners,” he said.

Rouse said cooperatives want to help broadband expand in rural areas but in a way that’s fair to all parties.

“We’re very empathetic,” he said. “We’re very understanding. We live out in these areas.”

Lawmakers will also consider other broadband-related bills this session.

This includes Senate Bill 517 and House Bill 289, which would appropriate funding to the Department of Information Technology to help with statewide broadband mapping to better gauge high-speed internet access.

That issue has become a flashpoint in the country, with federal lawmakers asking the Federal Com-

munications Commission to improve mapping across the United States and better determine which areas are unserved or underserved.


Accurate maps are particularly important because the FCC recently conducted its Rural Digital Opportunity Fund auctions. Nine companies won bids and will receive nearly \$167 million over the next decade to connect more than 155,000 unserved and rural locations in North Carolina with broadband.

The FIBER NC Act also returns in 2021, in both House Bill 384 and Senate Bill 547.

Sanders said he’s against the bill because it would allow a municipality to build broadband infrastructure and lease it to a private company while leaving taxpayers on the hook in the form of property taxes, revenue bonds, and other unrestricted funds.


“I worry about exclusivity with these providers crowding out the competition,” Sanders said.

Of those two bills, Sanders says S.B. 547 may be worse because it still offers an exemption from the Level Playing Field Law, which limits the ability of government entities to build broadband networks and compete against private providers.




NEW RESEARCH PAPER

## Expanding rural broadband access in North Carolina



**Jon Sanders** is Research Editor and Senior Fellow in Regulatory Studies at the John Locke Foundation



Download the paper at: [loc.ke/erbanc](https://loc.ke/erbanc)



## LEGISLATIVE PRIORITIES

# Experts: Telehealth reform would bring safer, convenient care

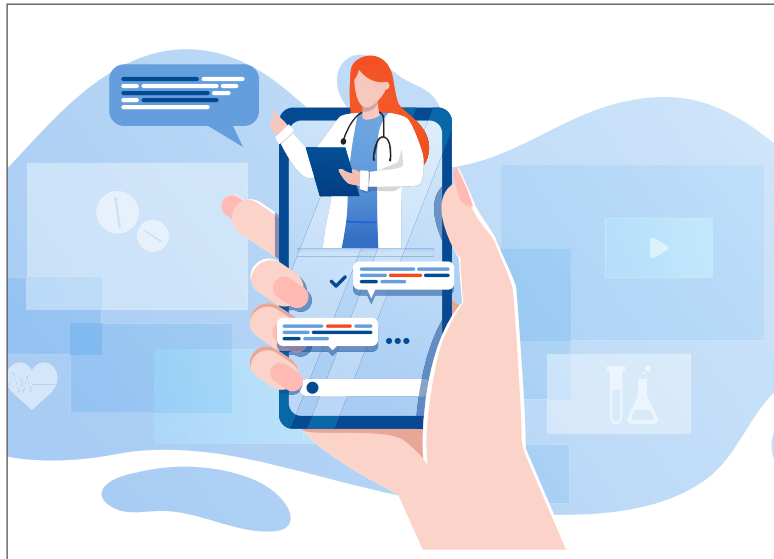
BY DAVID BASS

The COVID-19 pandemic brought the need for innovative, flexible medical treatment options into keen focus. Now, lawmakers are weighing reforms that would take important strides forward in offering out-of-state medical providers a chance to consult with patients virtually in North Carolina.

Telemedicine and other telehealth options give patients the chance to connect with providers over a computer, tablet, or smartphone. This approach offers several advantages. Connecting virtually reduces the likelihood of spreading disease while reducing the burden on local doctors' offices, emergency rooms, and hospitals.

What's more, telehealth would help people living in North Carolina's 80 rural counties who don't have convenient access to care. It would also give aid to the elderly and disabled who worry about in-person visits.

National polls show nine-in-10 Americans plan to continue using telehealth for nonurgent medical needs after the COVID-19 pandemic has passed.



**SAFE AND CONVENIENT.** Telehealth options give patients the chance to connect with providers over a computer, tablet, or smartphone.

Lawmakers were already looking at telehealth expansion before COVID-19, but the pandemic has amped up that need, said Jordan Roberts, government affairs associate for the John Locke Foundation.

"Where telehealth can help the most is by supplementing what we already know as health care," Roberts said. "Health care providers and patients can use telehealth

as a gatekeeper to the health care system, reducing the inefficiencies and transaction costs of obtaining health care. One of telehealth's greatest benefits is connecting patients to health professionals over great distances, but it can also be used between providers to share information in real time."

Current N.C. law puts up barriers to this type of treatment. A corona-



**As telehealth continues to be incorporated into more practices and more patients become comfortable with the technology, we must ensure that regulations keep pace with the adoption.**

- Jordan Roberts,  
John Locke Foundation

virus expert in another state, for example, would first need to become licensed in North Carolina to treat patients via telemedicine. Experts urge that any reform effort should wave this requirement for out-of-state medical professionals in good standing. Other states — including Kansas and West Virginia — have taken this step.

Gov. Roy Cooper also has the option to make this happen through executive action, which would build on Cooper's COVID-19 executive order that waived in-state licensure requirements for health profession-

als from another state.

Roberts points to four crucial components a telehealth bill must have to improve care in North Carolina. First, unless medically necessary, lawmakers should remove any requirement of face-to-face visits before telehealth can be offered. Second, lawmakers should avoid inadvertently excluding future technological developments in virtual care. Third, telehealth visits should be permitted for all medical professionals, not just doctors. Fourth, across-state-line access should be available without unnecessary bureaucracy or costs.

"As telehealth continues to be incorporated into more practices and more patients become comfortable with the technology, we must ensure that regulations keep pace with the adoption. Government tends to move slower than technological innovation, so ensuring that regulations don't hinder innovation is key," Roberts said.

One important way to achieve this is by avoiding insurance mandates for telehealth or payment rates, Roberts added. "Unwise mandates open the door to more spending on services that may add little value to the patient."

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## LEGISLATIVE PRIORITIES

# Legislation aims to use market-based reforms to curb runaway housing costs

BY DAVID BASS

Anyone who has dipped a toe into North Carolina's residential real estate market in recent years knows one thing: Housing costs have spiked. That growth reached a crescendo in the fourth quarter of 2020, when the state reached an 11.38% year-over-year growth rate in single-family home appreciation for the first time in 30 years.

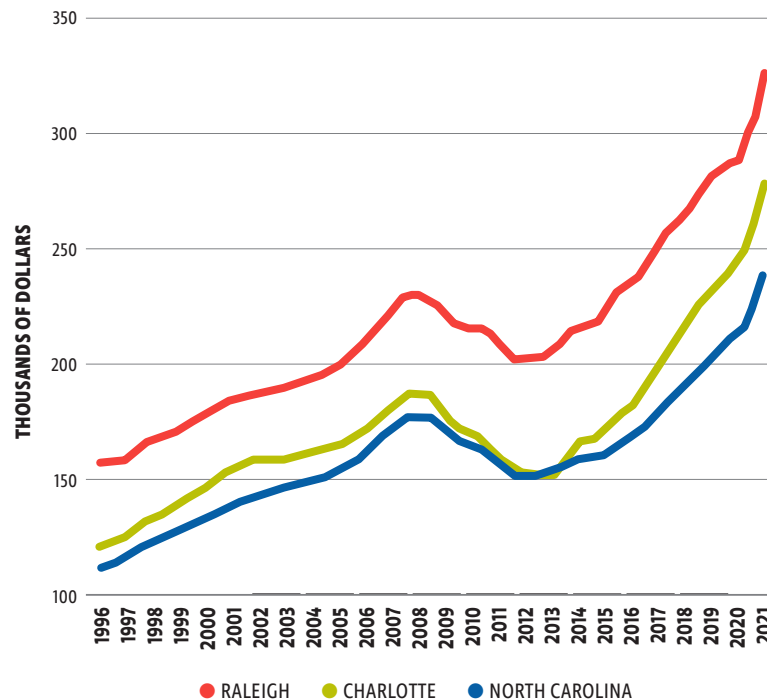
Seemingly against all odds, the COVID-19 pandemic has mixed a perfect cocktail for a housing price boom in the Tar Heel State: historically low interest rates, an influx of expats from pricier markets — think New York and New Jersey — with wads of cash for a hefty down payment, limited housing supply, stunted rates of new builds, and homebuyers looking for more space to stretch out during lockdown.

The rapid price growth in 2020 might be unusual and noteworthy, but it's the exclamation point on a longer-term trend: North Carolina has experienced several years of price growth exceeding 5%.

Most of these gains have accrued to the state's popular urban centers of Charlotte, the Triangle, the Triad, Asheville, and Wilmington. In Raleigh, for example, 31% of homes sold for more than their list price in December.

A red-hot real estate market has reignited the debate over affordable housing. While some prefer govern-

## Seasonally adjusted home values



SOURCE: Zillow Home Value Index (ZHVI)

ment-subsidized housing as the answer, lawmakers in the General Assembly are looking to market-based reforms as the solution.

Since 2015, the legislature has eased local land-use regulations — which restrict where and how densely housing may be built — while reforming zoning laws to help property owners escape interference from local government.

Now, lawmakers are seeking to build on these successes in the current legislative session through companion bills — Senate Bill 349 and House Bill 401 — known as the Act to Increase Housing Opportunities.

Overall, both bills would skew local land-use and housing ordinances in favor of property owners rather than municipalities.

Among other key components, both bills would legalize “middle housing” — duplex, triplexes, quadruplexes, and townhomes — and preempt local regulations. The bills would also give N.C. homeowners the right to build and rent out an “accessory dwelling unit,” such as an in-law apartment or backyard cottage.

“With ADUs and conversions to multifamily housing, a homeowner can earn money to help pay the mortgage,” noted Joseph Coletti, senior fellow for fiscal studies with the John Locke Foundation. “It’s like buying a stock that pays regular dividends and can bring homeownership into the reach of more people without government-subsidized debt that can be more than the value of the home itself.”

“Zoning reform can make room for more small developers by providing a faster turnaround from purchase to occupancy, whether rentals or purchases,” Coletti added. “Faster turnaround and more developers can mean more supply of housing, which is exactly what North Carolina needs for all

the people moving to the state.”

Crucially, the bills also would require jurisdictions to make space for every type of land use except industrial and “nuisance uses,” such as garbage dumps or strip clubs.

“This is one of the more ambitious zoning-reform bills I’ve seen nationally,” said Salim Furth, senior research fellow and director of the Urbanity Project at the Mercatus Center at George Mason University. “S.B. 349 brings together proven reforms from other states with process improvements informed by local experience. What’s new and interesting is that this bill would reverse the mission creep that has overtaken zoning since the 1970s. By requiring every jurisdiction to find space for almost every type of land use, it returns

zoning to its roots: a tool of organization rather than a tool of exclusion.”

Both bills have bipartisan sponsorship in the House and Senate, in addition to representation of members from both urban and rural areas.



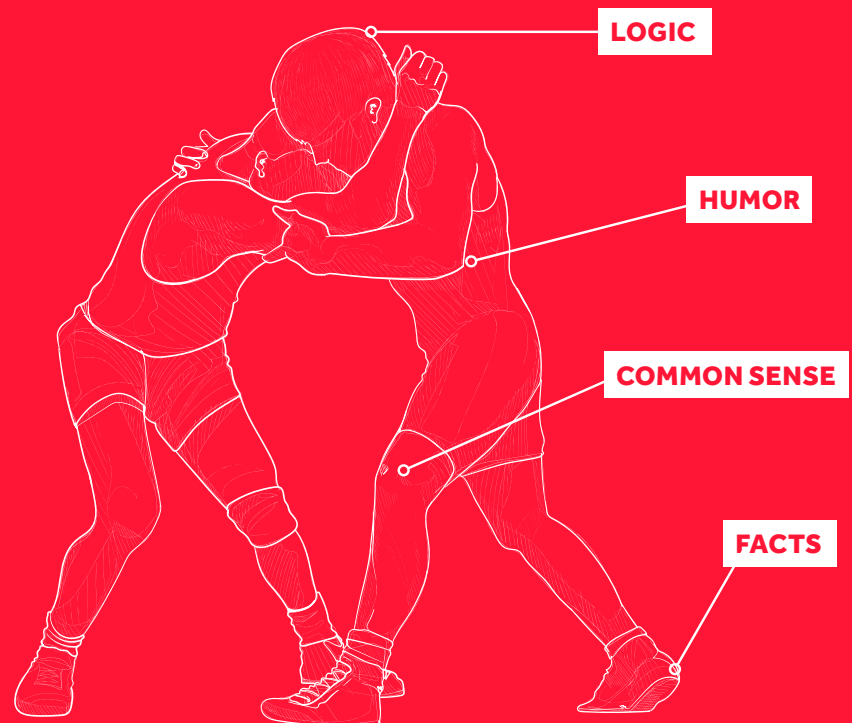
**The bills would also give N.C. homeowners the right to build and rent out an 'accessory dwelling unit,' such as an in-law apartment or backyard cottage.**

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## LEGISLATIVE PRIORITIES

# Two bills would protect donor privacy in North Carolina

BY ANDREW DUNN

North Carolina is taking steps to protect the freedom of speech for people who choose to donate to nonprofit causes. Two bills pending in the General Assembly would protect donor privacy and prevent nonprofits from being forced to disclose the identities of their donors.

Donor disclosure policies date to the 1950s, when Southern Democrats tried to use them to harass and intimidate donors to the NAACP, effectively trying to put them out of business. The U.S. Supreme Court ultimately found those laws unconstitutional.

Today, donor disclosure is primarily pursued by liberal organizations and Democratic politicians seeking to target conservatives by requiring right-leaning nonprofits to disclose their donors.

Once their names are public, people with so-called “unpopular” views can be subject to retaliation — job loss, vandalism, or even death threats. The issue is now again back in front of the U.S. Supreme Court.

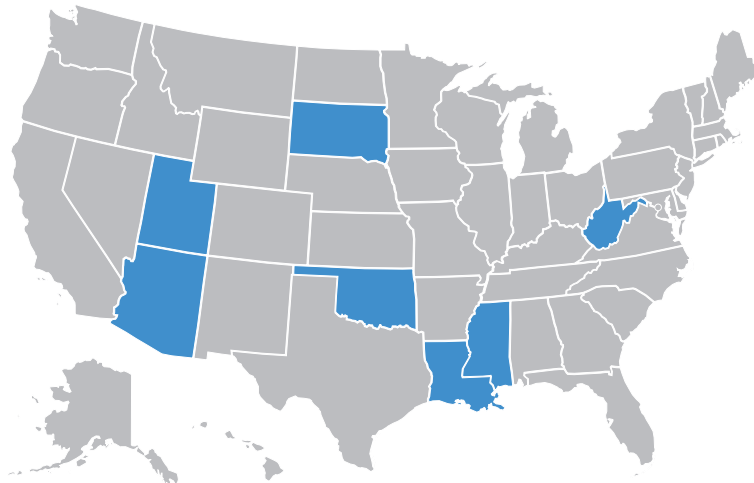
“In many states and at the national level, the political establishment has revived the use of donor disclosure as a weapon against its political opponents, and it’s a very effective weapon indeed,” said Jon Guze, senior fellow for legal studies at the John Locke Foundation. “Given donor disclosure’s sordid history, the politicians who are currently promoting it ought to know better.”

Two N.C. bills seek to protect donor privacy from different directions.

Senate Bill 636 would make the identities of people giving to nonprofit corporations confidential and prevent the disclosure of their names.

The bill would also restrict leg-

## States with laws protecting donor privacy



■ States with laws protecting donor privacy

SOURCE: JOHN LOCKE FOUNDATION

islators and government workers from disclosing any confidential information they obtain in the course of their jobs.

Republican Sens. Joyce Krawiec, R-Forsyth, Norm Sanderson, R-Craven, and Bob Steinburg, R-Chowan, are primary sponsors. Notably, the legislation also has Democratic support, with Sen. Dan Blue, D-Wake, as a co-sponsor.

Senate Bill 685 takes a different approach, restricting the government or any state entities from requiring the disclosure of nonprofit donor names.

The state would not be able to require individuals to disclose their nonprofit contributions. Nor would it be able to require nonprofits to disclose their members or any roster indicating their donors or volunteers.

People harmed by illegal acts under the could sue for civil damages of at least \$2,500.

“Between them, these bills would go a long way toward protecting the privacy of charitable donors in North Carolina,” Guze said. “Ideally, the General Assembly will enact a reconciled version that combines the best elements of each.”

North Carolina’s moves to protect donor privacy come as nonprofits in left-leaning states like California have come under attack, and the Supreme Court is expected to weigh in on the issue soon.

At the national level, donor privacy initiatives have brought together supporters from opposite sides of the political aisle.

The conservative Americans for Prosperity is embroiled in a legal case with the state of California and its former attorney general, Xavier Becerra — now U.S. secretary of health and human services in the Biden administration.

California passed a law requir-

ing nonprofits to send in unredacted tax documents showing major donors. AFP has fought back, claiming this violates the First Amendment.

The liberal American Civil Liberties Union has come to the defense, filing a brief with the Supreme Court challenging the California law.

“We rarely agree with the views of Americans for Prosperity, a group founded by the Koch brothers, but the First Amendment’s association and speech rights extend to all, and we are committed to defending those rights even when we disagree with the views of those exercising them,” said David Cole, ACLU’s national legal director, in a statement.

The state chapter of the ACLU says it’s reviewing the two N.C. bills and has not taken a position on them, said director of communications Dustin Chicurel-Bayard.

Seven states have already

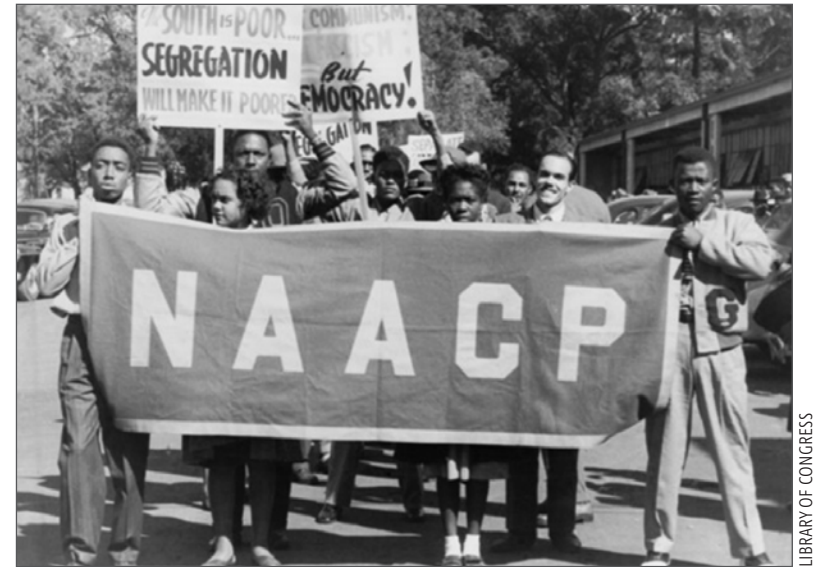
passed laws protecting donor privacy:

- Arizona
- Louisiana
- Mississippi
- Oklahoma
- South Dakota
- Utah
- West Virginia

Guze said North Carolina’s bills to protect donor privacy are worth pursuing, regardless of how the Supreme Court rules. The General Assembly should not just wait and see, he said.

“It’s not just a matter of preserving the right to support organizations that express and promote politically unpopular opinions,” Guze said.

“North Carolinians support a wide variety of charitable organizations that do a wide variety of good works. All of those charitable donors deserve to have their privacy protected.”



**FORCED DISCLOSURE LAWS.** Donor disclosure policies date to the 1950s, when Southern Democrats tried to use them to harass donors to the NAACP. The U.S. Supreme Court ultimately found those laws unconstitutional.

LIBRARY OF CONGRESS

## THE LIFE, OR DEATH, OF A BILL

1

A lawmaker drafts language for a bill, sometimes with the help of the Bill Drafting Division in the N.C. General Assembly.

2

The bill is introduced in either the House or the Senate, depending on which chamber the sponsoring lawmaker hails from.

3

During the bill's first reading, it is assigned to a committee.

4

The bill passes out of the first committee with a favorable report and either goes to the full House or Senate for a vote or to a second committee.

5

If the bill goes to a second committee, its members must also give a favorable report before the bill goes up for a floor vote in the House or Senate.



# LEGISLATIVE PRIORITIES

## Amendments

continued from PAGE 5

did try to remove the literacy test from the N.C. Constitution, but it failed.

In 1969, he writes, the General Assembly proposed an amendment to the Constitution to bring it formally in line with federal law by removing the literacy test. Voters, however, rejected that amendment in a statewide referendum in 1970 with 56% opposed. It has since remained an unenforceable part of the state constitution.

There have been several attempts to try to repeal the literacy test since then, although none have made it to a vote of the people. A bill with bipartisan sponsorship, House Bill 148 in the 2017-18 session, unanimously passed the House but died in the Senate Rules Committee. Most recently, House Bill 314 in the 2019-20 session never made it out of the House Rules Committee for a floor vote despite also having bipartisan sponsorship, Jackson writes.

So why hasn't the legislature passed something that so clearly has broad, bipartisan support? he asks. Legislative leaders seem concerned that voters might reject the amendment again.

"There's a worry about what might happen with that" if it were defeated again, said House Speaker Tim Moore, R-Cleveland, adding that he has no idea how voters might respond to another ballot question on the issue. "I would hope that amendment would pass overwhelmingly. It's certainly something I would support."

Jackson suggests putting the amendment on the primary ballot to lessen the likelihood voters reject repealing the literacy test.

"During a general election campaign, human nature being what it is, politicians and political activists would probably not be able to resist the urge to use an upcoming vote on the literacy test as a partisan bludgeon."

"That kind of grandstanding by politicians would likely have the perverse effect of driving down support for the amendment. Putting the amendment on a primary ballot would make such partisan attacks



CJ PHOTO BY DON CARRINGTON

**UNIONS ON THE RISE.** The influence of unions in North Carolina is creeping up. In some states, unions can enter "closed shop" arrangements in which only union members are allowed to work.

less likely and increase the chance for the amendment to pass."

### Preserving the right to work

North Carolina is one of 27 "right-to-work" states, meaning state law guarantees workers can't be forced to join a labor union or pay union dues as a condition of employment. Unions for nurses and teachers, for instance, are present in North Carolina, and their influence is creeping.

Senate Bill 624 would put right-to-work policies in the state constitution, making it harder for a future General Assembly to change course.

In other states, unions and companies can enter "closed shop" arrangements in which only union members or dues-payers are allowed to work.

National Democrats have long been strong supporters of labor unions. Some large unions have lately been trying to make inroads in major companies in right-to-work states, most notably the push to unionize Amazon warehouse workers in Alabama.

The constitutional amendment is popular: More than 70% of likely 2022 voters would support such an amendment, according to a recent Civitas poll commissioned by the John Locke Foundation. Only 13% oppose the initiative.

Lawsuits could create obstacles. In 2018, when the General Assem-

bly put forward six constitutional amendments, a suit attempted to block two of them from going on the ballot.

Both would have restricted Cooper's power — one on his ability to make judicial appointments, and the other on his control of the State Board of Elections.

Both ended up on the ballot, but neither was approved. The other four passed with strong majorities.

One of those amendments put a voter ID requirement in the state constitution, but identification is still not required to vote in North Carolina after the courts blocked the law to implement it.

Right-to-work protection is set in state statute, but not in the N.C. Constitution, said Locke President Donald Bryson, who led a discussion on the Civitas poll with N.C. State University professor Andy Taylor.

A constitutional amendment, Bryson said, would be much more difficult to repeal, as compared to the law. Whether voters approve a constitutional amendment, though, would depend on how it's worded on the ballot, Taylor says.

"I do think there is a general skepticism when wording seems long and ... ambiguous," Taylor said.

Constitutional amendments typically pass, though people are skeptical about institutions, generally, Taylor said.

## School choice

continued from PAGE 6

with nonprofits to promote the program to families through outreach and application assistance.

Beyond the Opportunity Scholarship Program, both H.B. 32 and S.B. 671 would combine the Children with Disabilities Grant Program and Education Savings Account into one program to ensure adequate funding and reduce wait lists. Currently, the disabilities grant and ESA program provide up to \$8,000 and \$9,000, respectively, for students with special needs to help defray the cost of tuition, specialized treatments and therapies, or equipment.

"The essence of equity is providing families the resources to choose the school that best meets the needs of their children," said Terry Stoops, director of the Center for Effective Education at the John Locke Foundation. "If you support equity, then you should champion school choice."

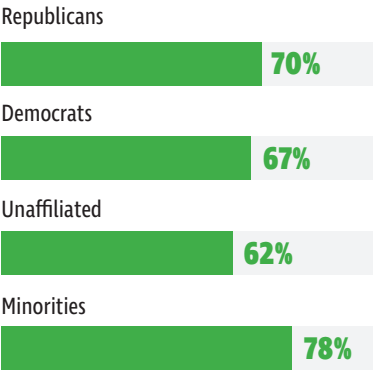
"There are meaningful differences between the House and Senate school choice bills," Stoops added. "In the end, I suspect that a conference committee will be able to iron out these differences with minimal difficulty."

The measures have won the support of school-choice advocates like Mike Long, president of Parents for Educational Freedom in North Carolina.

"Now more than ever, families, parents, and students in our state should be empowered through more choices in education, not less," Long said in a statement. "We applaud legislative leaders who, despite the best efforts of Gov. Roy Cooper to phase out school choice, continue to push ahead doing the work of the people of North Carolina, who overwhelmingly support parents and families' right to choose the school that is the best fit for their child, regardless of ZIP code or income."

Both bills are another step lawmakers have recently taken to expand school choice in North Carolina. In September 2020,

## Public Support for Opportunity Scholarships



SOURCE: Civitas Poll

lawmakers passed a COVID-19 relief bill that included key changes to Opportunity Scholarships, including lifting a cap that restricted the number of kindergartners and first-graders who could get into the voucher program.

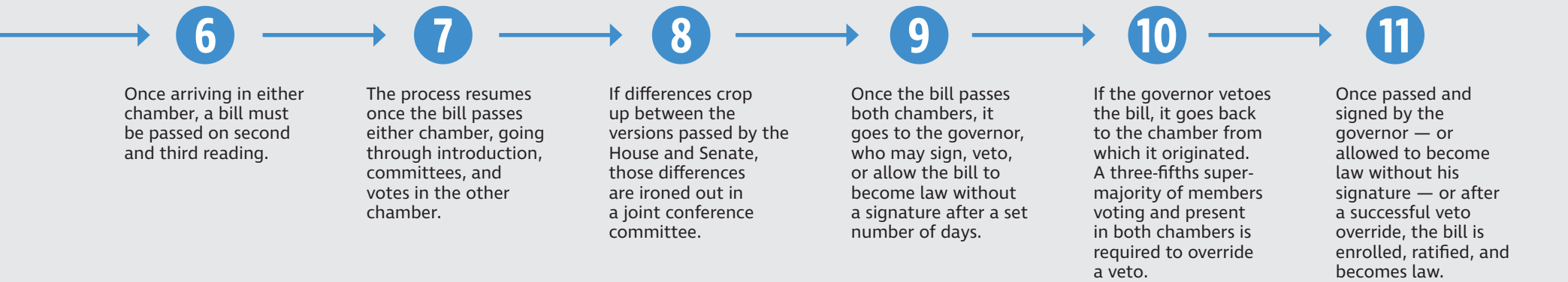
Lawmakers also raised the limits on income so that a family of four earning \$72,000 could qualify and earmarked \$6.5 million to fund the wait list for the disabilities grant and ESA.

Cooper, a Democrat, has been a stalwart opponent of any attempts to expand these school-choice measures. Cooper has consistently targeted the Opportunity Scholarship Program for defunding in his budget proposals, including his latest budget released in late March.

Opportunity Scholarships have also been the target of a lawsuit filed by the N.C. Association of Educators, the state arm of the national teachers union.

Even so, statewide polling has consistently shown broad public support for Opportunity Scholarships, extending across political and racial lines. A Civitas Institute poll from 2020 put that support level at 70% among Republicans, 67% among Democrats, 62% among unaffiliated voters, and 78% among minority voters.

A recent analysis by N.C. State University showed the median household income for new Opportunity Scholarship recipients was just \$16,213 and \$15,000 for renewal recipients, after adjusting for inflation.





# Wounded heroes and a day for reflection

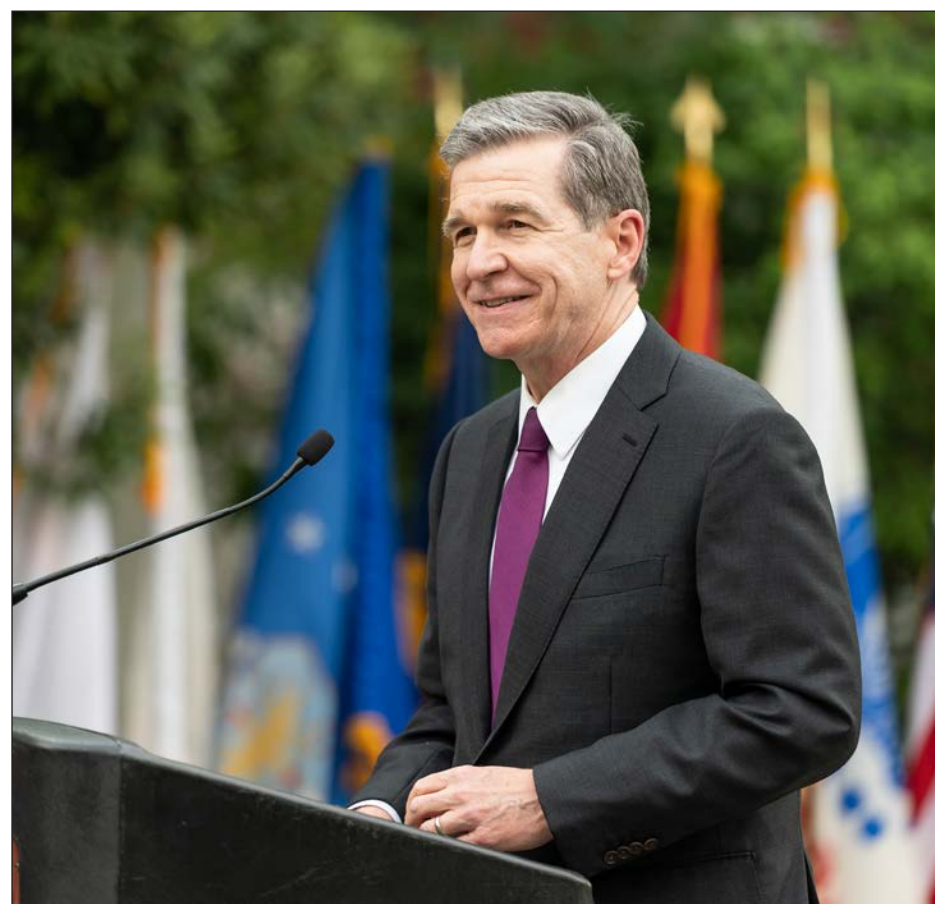
STORY AND PHOTOS  
BY MAYA REAGAN

Gov. Roy Cooper signed House Bill 138 recognizing April 24 as Wounded Heroes Day. The bill was inspired by Union County resident Sgt. Michael Verardo.

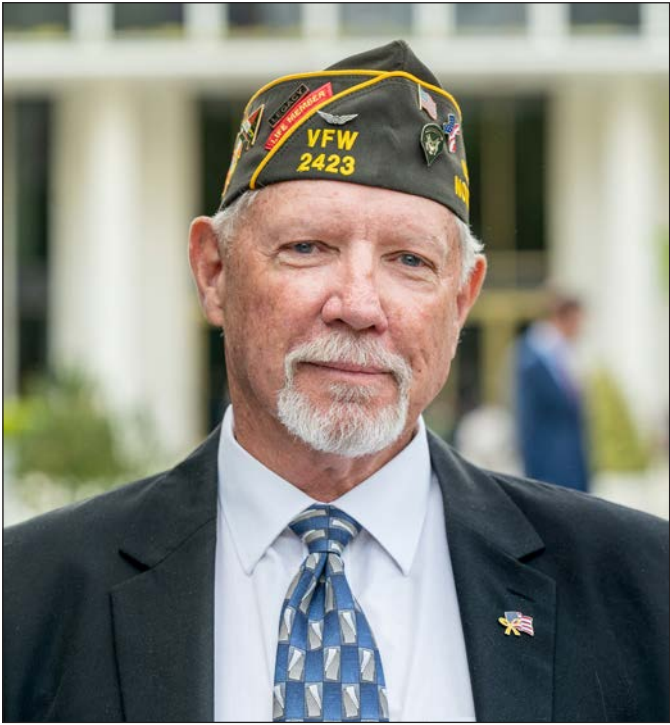
April 24 is Verardo's 11th "Alive Day," a time of reflection by service members on the anniversary of the day they nearly died in combat. Verardo suffered catastrophic injuries in 2010 while on patrol in Afghanistan. That led to a series of 120 surgeries over a period of nine years.

Today, Verardo and his wife, Sarah, also his full-time caregiver, run The Independence Fund. It's a Charlotte-based organization serving hundreds of thousands of wounded veterans and their families as they navigate the challenges of post-service life. The growing organization also has a case work and advocacy program in Washington, D.C., aiding in the reform of Veterans Affairs health care, supporting veterans in the navigation of the Department of Defense, and working alongside legislators such as Rep. David Willis, R-Union, to get legislation like H.B. 138 passed.

The April 21 event drew about 150 people, including Cooper, Lt. Gov. Mark Robinson, House Speaker Tim Moore, R-Cleveland, and dozens of wounded veterans who benefit from work by The Independence Fund in North Carolina.









# COMMENTARY

## UNC governing boards fiddle while reason burns



**JAY SCHALIN**  
COLUMNIST

**THE "DIVERSITY, Equity, and Inclusion" paradigm** is sweeping through academia. Its increasing use as an ethical basis for enacting university policies is no small matter. Rather, it is monumental. It signals a major change in academia's underlying belief system from the open-minded pursuit of truth to a narrow, dogmatic, political fundamentalism.

This is a transition no less revolutionary than the philosophical shift that occurred in the 19th century, when the traditional Christian intellectual framework was pushed aside for the more "objective" measure of the scientific method.

Implementing the DEI agenda enfranchises a collectivist, racialized political theory that goes against almost everything our nation has long stood for. Consider a letter sent by the dean of the N.C. State School of Veterinary Medicine to his school's faculty, which states:

"We must commit to our Values and to being a Values-Driven culture. We must support the cause of Black Lives Matter with more than just words, this is the time to commit to anti-racism and to demonstrate that commitment through action."

It seems shocking at first that the head of a scientific institution would declare to his veterinary colleagues — members of a specific community of scientists with a specific culture centered on science — that "we must commit to" being a "Values-Driven culture," before urging adherence to a radical political agenda. But perhaps the dean's missive should not be so surprising, since the shift to allegiance to a new dogmatic belief system is well under way in academia.

One reason that this dogmatic system has already advanced quite far is that the process has not always been open and above-board. The people have not voted for such a monumental change in the basic philosophy of their intellectual institutions. Nor have their representatives.

There is no reason for the state's leadership to sit idle.

The legislature can make the law stronger, and, even according to the law as it is currently written, UNC's governing boards can



**NARROW, DOGMATIC FUNDAMENTALISM.** Implementing the "Diversity, Equity, and Inclusion" agenda enfranchises a collectivist, racialized political theory that goes against almost everything our nation has long stood for.

take action to prevent the spread of DEI mandates. But neither legislators nor boards have shown any great sense of urgency to address the problem.

That reluctance to look out for the interests of the majority of North Carolinians raises some very basic questions. Why are the boards not up in arms when

a disturbing political litmus test is imposed on the institutions they are sworn to defend? What human incentives are behind their inactivity: confusion, ignorance, cowardice, or corruption?

Or do they really not understand the importance of their mission and of the specific issues at hand?

When an academic controversy arises, boards carefully avoid confrontations that could lead to adverse publicity or lawsuits, if at all possible. Their timidity is somewhat understandable, as they face a coalition of ardent opponents whenever they try to exercise their full authority.

Yet the reluctance to openly and directly confront this opposition reduces the board to weakness at the very time when strength is needed. The board becomes like parents who consistently give in to a misbehaving child for fear the child will throw a tantrum. Such failure to take control will almost inevitably destroy the child for the future.

And, though any pushback against the DEI agenda will be opposed, all good things must battle opposition initially.

All that is needed to stop the illegitimate advance of DEI is the will of the leadership. All of the necessary tools are in the current statutes and bylaws. And yet, they essentially "fiddle" while UNC burns.

If the state's universities cannot muster the intellectual and moral passion and backbone to combat the intrusion of a way of thinking that will, without fail, influence society for the worse, then why have them at all?

## GOT AN OPINION?

Carolina Journal is accepting letters to the editor and guest opinions (op-eds)\* on issues related to North Carolina. We cover the state from a limited-government and free-market perspective but will consider varying viewpoints, depending on relevance and quality. A good guideline for letters is 200-500 words and 550-800 words for op-eds. A letter to the editor is comment or disagreement with a published CJ piece; an op-ed is a guest opinion argument.

**Please email any submissions to opinion editor Ray Nothstine (rnothstine@lockehq.org)**

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OPINION

Why we should read the American founders



RAY NOTHSTINE

OPINION EDITOR

Thomas Jefferson was renowned for stressing that authority ultimately rested with the people and not the government. Self-government often seems more like a theoretical concept today, or even a partisan issue. Ultimately, so much of what we see in politics today is a belief that Americans are no longer capable of governing themselves. They need more rules and regulations to cope and “free stuff” to occupy their time or having the opportunity to thrive in a modern world. The American Founders wouldn’t have ever thought of it that way. Self-government was embodied and actualized in the people at that time.

There is a great example from our history that demonstrates that meaning. Os Guinness mentions the story in his masterful book, *A Free People’s Suicide: Sustainable Freedom and the American Future*. Seventy years after the American Revolution, a Dartmouth student set out to record the testimony of soldiers who fought in the conflict. One of those men, Capt. Levi Preston, then in his 90s, fought in the very first engagements at the Battles



**FREE BECAUSE GOD WANTS US TO BE.** Reading the Founders helps us realize that self-government and a democratic republic are much deeper than the simple notion that we play a role in electing the people who represent us.

of Lexington and Concord in 1775. The student asked Preston if he was inspired by the works of John Locke, or oppressed over the Stamp Act or tea tax? Preston said he hadn’t heard of Locke and didn’t drink tea and hadn’t seen any stamps [seals] back then. It’s unclear if Preston had more than rudimentary understanding of the Stamp Act. The student went through a litany of questions and became perplexed why Preston

took up arms against the British Crown. Preston simply replied, “Young man, what we meant in going for those Redcoats was this: We always had been free, and we meant to be free always. They didn’t mean we should.”

Reading the Founders helps to realize that self-government and a democratic republic are so much deeper than the simple notion that we all play a role in electing the people who represent us.

Almost three-and-a-half decades ago, the late historian Forrest McDonald delivered the notable Jefferson Lecture in Washington, D.C. In it he said, “To put it bluntly, it would be impossible in America today to assemble a group of people with anything near the combined experience, learning, and wisdom that the 55 authors of the Constitution took with them to Philadelphia in the summer of 1787.” McDonald goes on to mention that only 35 of the delegates had attended college. A fact that might surprise modern audiences. Yet he explains all the complex translations from English to Latin required just to be admitted to college and asks the audience to compare that to the requirements today.

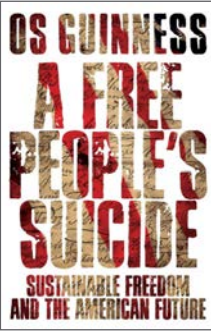
Much of McDonald’s point in his lecture is that the Founders weren’t all that interested in partisan politics but were very interested in the limits of government itself. It’s why our system reflects the need for checks and balances, taking into account human nature, particularly the corrupting nature of power.

Speaking of the Constitution, McDonald says, “It is a body of law, designed to govern not the people,

but government itself, and it is written in a language intelligible to all, that all might know whether it is obeyed.” The greatest aspect of the Bill of Rights, by its very proclamation, puts limits on government, not American citizens.

The good news is that there are more and more respectable new books and interest on America’s Founding at this point than in much of our history. Yet, whether it’s the 1619 Project, the academy, or popular culture, efforts to destroy their legacy are more brazen than ever.

Turning back to Jefferson, the best reason to read and reread the American Founders is because he said that we are the ultimate guardians of our own liberty. We can’t advance past their basic wisdom and truth about government and the human person if we wish to remain a free society. When we try to do that, we see and feel the chaos and tyranny it inevitably unleashes on society. Reading the documents, history, and biographies of the men who came together to expand freedom reorients us to first principles. The most basic view they shared is one we desperately need today: We are free because God wants us to be free.



A Free People's Suicide:  
Sustainable Freedom  
and the American Future  
by Os Guinness

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☐ HISPANIC

☐ ASIAN

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☐ OTHER

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☐ OLD

☐ STRAIGHT

☐ GAY

☐ LESBIAN

☐ BI

☐ ASEXUAL

☐ MALE

☐ FEMALE

☐ TRANS

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☐ NON-BINARY

☐ PANGENDER

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☐ POOR

☐ CULTURAL APPROPRIATOR

☐ VICTIM

☐ DEPLORABLE

☐ US

☐ THEM

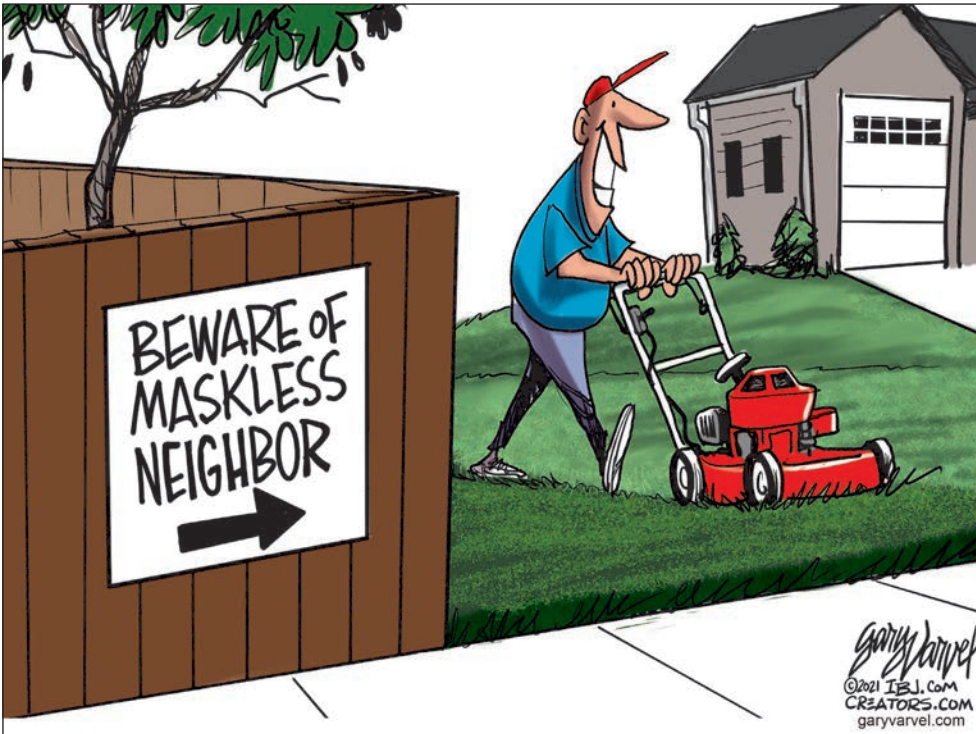
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## COMMENTARY

A win for N.C. Constitution in *Leandro* case

DR. TERRY STOOPS

CENTER FOR EFFECTIVE EDUCATION  
JOHN LOCKE FOUNDATION

The N.C. Constitution designates the legislature as the branch of government with the power to determine how state taxpayer dollars are collected and spent. It's a fundamental fact taught to schoolchildren as early as third grade. Recently, children and adults alike witnessed the courts uphold this principle in the long-running *Leandro v. State of North Carolina* case.

The saga of *Leandro* — a school finance “adequacy” case about the state constitutional requirement of “the opportunity to receive a sound, basic education” — has been subject to multiple hearings, orders, and reviews during the two decades it has been sitting in a trial court. The original lead student plaintiff, Robb Leandro, is now a 40-year-old attorney at one of the most prominent law firms in North Carolina.

In April, Superior Court Judge

David Lee brought current plaintiffs and defendants together for the latest hearing in the case. This time the subject was the Comprehensive Remedial Plan, an \$8 billion appropriations and policy road map based on recommendations from California-based consulting firm WestEd and Gov. Roy Cooper's Commission on Access to Sound Basic Education.

Attorneys for the *Leandro* plaintiffs, in particular, hoped that Judge Lee would violate the separation of powers defined by the N.C. Constitution and order the state legislature, which is not a party to the case, to begin funding the remedial plan. For now, however, the attempt by big-government education activists to engineer an end-run around voters and elected legislators did not work. Judge Lee wisely urged cooperation, not compulsion, in the implementation of *Leandro* recommendations. At the April hearing, Lee proclaimed, “I want this to be a cooperative effort with everyone having the same goal in mind.”

*Leandro* is not much different than school finance lawsuits that most other states have encountered since attorneys began adopting this legal strategy in the 1970s. Attorneys representing students and families living in disadvan-



**The saga of *Leandro* has been subject to multiple hearings, orders, and reviews during the two decades it has been sitting in a trial court. The plaintiff is now a 40-year-old attorney at one of the most prominent law firms in North Carolina.**

tagged school districts seize upon vague language in a state constitution to invalidate school finance systems and compel the legislature to make amends through funding increases and programmatic changes. The courts monitor the state legislature indefinitely to ensure compliance with orders.

Kansas, New Hampshire, New Mexico, Pennsylvania, and a handful of other states have active lawsuits challenging the constitutionality of their school funding systems. In June 2019, the Kansas Supreme Court ruled the school funding system was finally in compliance with its constitution. All it took was roughly \$1

billion in additional public school funding over the last five years and the legislature's promise to increase annual base aid by \$90 million through 2023. Despite the \$1 billion infusion, the state's performance on the National Assessment of Educational Progress tests shows little progress.

School finance litigation has worked like a charm for unions and their allies who cannot persuade voters to elect a sufficient number of state legislative candidates who are willing to raise taxes to accommodate their desired funding increases.

As Kansas attorney John Robb told the *ABA Journal*, “Their economies can support increased taxes and investment in public education. But many of these states have been controlled by governors and legislatures that are unwilling to do that.” So Robb and legions of school finance attorneys across the nation use the courts to avoid inconvenient barriers like the will of the electorate.

In the latest twist, school finance attorneys had their eye on billions of “coronavirus relief” dollars sent to states courtesy of Democratic majorities in Congress and the Biden administration. In North Carolina's remedial plan presented to Judge Lee on the Ides

of March, *Leandro* attorneys declared their intention to “support school districts in managing and maximizing new federal funding.” Once the flow of borrowed money from the federal government subsides, *Leandro* proponents would demand that lawmakers sink their dagger deep into the heart of every North Carolinian's paycheck to pick up the slack.

Now, *Leandro* attorneys must convince skeptical Republicans in the General Assembly to use their constitutionally defined authority to incorporate measures in the remedial plan into the state budget and legislation. Lawmakers should ask tough questions about a proposal that they had no role in developing. As I have pointed out elsewhere, the remedial report submitted lacks critical details about the measures purported to comply with *Leandro*. For example, 17 action items have no cost estimate included, while other measures simply add to our state's education bureaucracy by investing heavily in nonclassroom personnel. Lawmakers should remind the plaintiffs and defendants that improvements in daily classroom instruction are the best way to provide the opportunity for all children to receive “a sound, basic education.”

“

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## COMMENTARY

## What policies are conservatives for in higher ed?



**CHRISTIAN BARNARD**  
COLUMNIST

It's no secret that higher ed reformers have struggled to offer a compelling alternative to free college and loan forgiveness offered from the left. This failure is partially because conservatives and libertarians are usually on the defensive about higher ed policy.

In response to that problem, the American Enterprise Institute organized a panel discussion titled "The Next Conservative Higher Education Agenda," to argue about higher education policies conservatives should support. Rick Hess, AEI's director of education policy studies, opened the discussion by framing the panel as a chance to talk about what conservatives are for, not what they're against.

The discussion ranged from hot-button topics like student loan forgiveness and free speech on campus to more technical concerns about accreditation practices and how to "unbundle" degree programs to cut costs and improve quality.

### College affordability

Some of the most interesting ideas from the AEI event emerged when panelists discussed how to expand access to a college degree. They argued that conservatives



PHOTO BY MAYA REAGAN

**UNBUNDLED.** A major reason college is so expensive is because academics, extracurricular activities like student clubs, athletics, and meal plans are offered all together.

should focus on innovation and transparency rather than criticizing more government spending to fund free college or lower tuition costs.

Andrew Kelly, senior vice president of strategy and policy for the University of North Carolina System, promoted the idea of unbundling college education services. As many students pay full tuition for online-only classes and fees for health, career counseling, and other on-campus services they can't access, the pandemic has highlighted how college services need not be packaged into a single "take it or leave it" product.

A major reason college is so expensive is because academic departments, extracurricular

activities like student clubs, athletics, and meal plans are offered all together. Kelly argued that policy barriers should be cleared away so that cheaper, unbundled degree programs can become more readily available to students who want to pay for classes — but not dorms, campus amenities, or other add-ons (my framing, not his).

Beth Akers, a resident scholar at AEI, stressed a need for more transparency around the benefits and costs of specific colleges and degree programs so that students can make better-informed decisions. Until this happens, in her view, colleges won't have a reason to cut costs because too many families have been captive consumers who will pay almost anything for a degree.

### Student loan forgiveness?

With Democrats controlling the White House, the House of Representatives, and the tiebreaking vote in the Senate, student loan forgiveness plans are the top issue for higher education policy at the federal level. But Akers argued that conservatives need to bring context to this conversation.

"The people who struggle the most are actually those who have small balances," Akers said. "A lot of that is because people start college, but they don't finish. They don't have a degree that gives them access to higher-paying jobs, but they still have to then pay back their debt."

Instead, Akers argued the real problem is the risk of taking on debt to start college when many students never finish.

To address this risk, she suggested a conservative agenda that includes "front-loading" federal grant aid to students that is typically spread over their four or more years of college. That change would provide more aid in the early years of college so that the financial risk of trying college without finishing is lower for students. Not only would frontloading aid help a large number of dropouts avoid higher debt, but it also wouldn't mean more government aid.

### Free speech

Adam Kissel of the Cardinal Institute argued that challenges to free speech on campus are widespread. Citing a large-scale survey

led by the Foundation for Individual Rights in Education, Kissel pointed out that students at all kinds of campuses routinely reported feeling hesitant to express their viewpoints and frequently self-censor for fear of how their campus administration could respond.

But what should a conservative or libertarian agenda be in response to this problem? Kelly cautioned against heavy-handed interventions from state or federal policymakers in policing campus speech policies.

While it was refreshing to hear smart conservatives outlining a trail forward for higher education policy in the post-Trump era, it's hard not to see reform as an uphill battle. Ideas like unbundling a college education or funding colleges based on graduate performance sound bold and risky, no matter how they're packaged. Additionally, conservatives and libertarians need to find agreement on topics like the ideal number of college students or what should determine government aid.

Selling a higher ed agenda akin to that proposed by the panelists requires not only better marketing but also better research. The public needs a clearer understanding of how those proposals will expand access to useful and affordable degrees, and why innovation will be more effective than more government funding.

One thing is clear: These conversations need to continue and happen more frequently.

*Christian Barnard is an education policy analyst at Reason Foundation*



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# COMMENTARY

## Giving to charities should not put you at risk of harm



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

We are a generous and giving people. We exercise our First Amendment rights to support causes and ideas we believe in by donating our hard-earned money. But some actions by the federal government threaten those rights, and state lawmakers are prepared to act now to protect North Carolinians' freedom of speech.

**Americans gave \$449 billion to charities in 2019, 69% from individual donors.**

As you would expect, wealthy people give, but the vast majority of giving comes from average folks with moderate incomes, just like you and me. Some 60% of American households support causes they believe in, giving between \$2,000 and \$3,000 each year.

North Carolina ranks 14th in charitable giving, according to WalletHub's most charitable states for 2021. North Carolinians gave \$45 million to nearly 40,000 charities in our state last year, according to the 2019-20 N.C. Charitable Solicitation Licensing Annual Report. Keep in mind that is more than the previous year and during the early, and economically uncertain, days of the pandemic.

Donating to charities is a way many of us support causes we believe in. Nonprofit organizations play an important role in advocating, educating, and leading discussions on ideas to promote a civil society, whether it's groups like the John Locke Foundation, ACLU, Sierra Club, or National Rifle Association. Charities serve their

communities' special needs, often supplementing what government does or filling needs it can't do; everything from the faith-based community to the Humane Society, Toys for Tots, food banks, and the arts. Nonprofits give voice to the communities they serve and allow us to lend greater influence through a collective voice of supporters. We are all richer when those who chose to, give.

Giving is a way to exercise freedom of speech, and that freedom is protected under the First Amendment of our Constitution.

### Or is it?

During the civil rights movement of the 1950s, Alabama tried to force the NAACP to report the names and addresses of its supporters. The NAACP feared that should their donors' information be disclosed, they would be subject to harassment, intimidation, and violence. The U.S. Supreme Court agreed and ruled that donations to private organizations can remain private to protect those donors' safety.

But lately and in these times when everything seems politicized, those protections are at risk.

In 2015 in Colorado Springs, Colorado, a Planned Parenthood clinic was the site of a shooting that killed three people and wounded nine others. The shooter was against women's reproductive rights. Imagine if the law in Colorado had required Planned Parenthood to publish names and addresses of its supporters and that man had known who they were and where they lived.

Margie Christoffen was a waitress in California. As a private citizen, she gave \$100 to a group that supported a ballot initiative to ban gay marriage. She never made her politics or religious views public, but her donation showed up on a government list and her name was made public. The restaurant where she worked was picketed and boycotted. Protesters caused disruption to the restaurant's business.



In 1956, Alabama attempted to force the NAACP to disclose their donor lists. The Supreme Court ruled that Alabama's demands violated due process.

**The role of government is to protect freedom, not take it away. Every American and every North Carolinian has the right to support causes they believe in without fear of retribution, intimidation, threats, or harassment.**

She lost her job. Others on "the list" reported harassing calls, emails, and mailings. One email threatened to contact the parents of students where a supporter worked. Others received death threats, were forced to resign their jobs, lost customers, and found their businesses boycotted. California has disclosure laws that have subjected citizens to harassment and targeted threats simply for exercising their First Amendment rights.

The Peachtree-Pine homeless shelter in Atlanta houses more than 600 men, women, and children each night. They provide a wide range of services, including finding permanent shelter for

homeless individuals and families. Atlanta officials had targeted the shelter for closure, planning to seize the land to build a police/fire station on the site. In 2014, the shelter fell behind on its water bill, and several anonymous donors contributed enough toward the \$580,000 bill to pay it off. The shelter's director explained why the donors wished to remain anonymous: "Any time a donor appears and is public with us, that donor gets attacked."

**Would you be as likely to give if your name and donation were disclosed without your knowledge?**

Should a donation to something you believe in subject you to harassment, job loss, being "canceled," or even threatening you and your family's safety and well-being?

H.R. 1, a lengthy bill introduced in Congress, would force disclosure of donors to a nonprofit organization. Across the country, 200 bills have been introduced in state legislatures that would violate citizen privacy by forcing disclosure of small-dollar donors. North Carolina should enact protections

against donor disclosure now.

Your donation should be kept private, and your First Amendment rights should be protected. That's what a bipartisan group of lawmakers in the General Assembly are trying to do – protect citizen privacy. Senate Bill 636 would make nonprofit donor information confidential and prohibit public servants, legislators, and state employees from disclosing confidential information gained in the course of their official activities.

In a national poll, people agreed. Donor privacy is important. Seventy-three percent of registered voters agree the government has no right to know what groups or organizations they decide to support. S.B. 636 has bipartisan support because this is not a partisan issue. Eighty-one percent of Republicans and 93% of Democrats believe we must protect the ability of all Americans to come together in support of each other's right to donor privacy.

### The bottom line

With donor privacy, people are able to give to causes they believe in without the threat that their personal beliefs will be made public without their consent. They ought not to live in fear of harassment or intimidation just because they exercise their freedom of speech. People should not be discouraged from giving, and the important work that nonprofits do should not be discouraged or hampered.

The role of government is to protect freedom, not take it away. Every American and every North Carolinian has the right to support causes they believe in without fear of retribution, intimidation, threats, or harassment. Freedom of speech and First Amendment rights should be protected regardless of perspective or background. We are fortunate to have leaders who recognize the need for citizen privacy and are working this legislative session to protect our rights. We are all richer for it.

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# COMMENTARY

## Ask ‘Who pays today?’ before judging impact of proposed tax cuts



### MITCH KOKAI

SENIOR POLITICAL ANALYST  
JOHN LOCKE FOUNDATION

A single N.C. taxpayer earning \$20,000 a year would see a \$124 annual tax cut under a plan touted by N.C. Republican legislators. That same plan would cut taxes by \$332 for a \$100,000 earner, and \$2,672 for a taxpayer earning a cool \$1 million.

Your initial reaction to those numbers says a lot about your approach to tax policy.

This observer has absolutely no doubt that some people will read the column's opening paragraph and conclude: "It's just as I thought. Those Republicans care only about the rich."

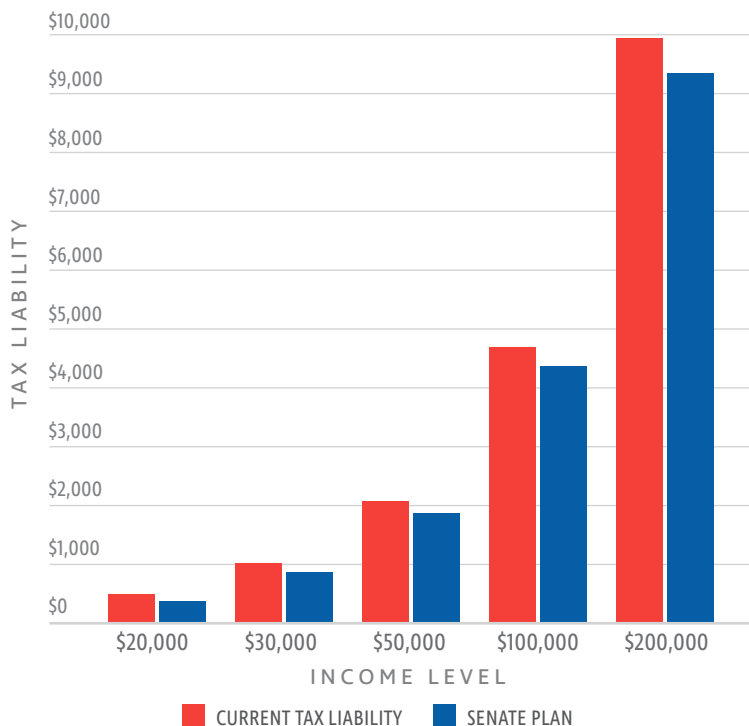
"How could anyone assert otherwise? A person clearing a million bucks gets a tax break more than 20 times as large as a person making a measly 20 grand? Even the guy with 100K gets a tax cut two-and-a-half times as large as the little guy?"

Take that approach to the numbers cited above, and you'll fit well within the mainstream of North Carolina's Democratic Party politics. It's the same type of reaction leading House Democrat Darren Jackson offered in 2017. Jackson lambasted a Republican plan to lower the state's flat income tax rate while raising the standard deduction. Higher-income earners were bound to see much larger tax cuts, in Jackson's view. It was unfair.

The General Assembly ended up approving that plan. Now GOP lawmakers are taking the same approach in 2021. They want to reduce the flat tax rate from 5.25% to 4.99%, while also raising the standard deduction from \$10,750 per person to \$12,750.

It's an idea bound to generate criticism from those who focus

### Tax liability by income level under proposed North Carolina Senate tax plan



SOURCE: AUTHOR'S CALCULATIONS

on the dollar value of potential tax cuts. But others will consider the raw numbers in context. That context helps explain how the proposed changes make a bigger difference for the lower-income earner. A bigger positive difference.

Let's return to the three taxpayers from our opening example. First, we need to look at their current income tax obligations.

Setting aside any other credits and deductions, the \$20,000 earner owes \$485 under the current tax code. The \$100,000 taxpayer owes \$4,685. The \$1 million taxpayer owes \$51,935.

Thanks to the existing standard deduction, higher earners already pay a larger share of the state's tax bill. While the effective tax rate for the \$20,000 earner is 2.4%, the \$100,000 taxpayer surrenders almost 4.7% of his income as tax, and the \$1 million taxpayer pays nearly 5.2%, just shy of the 5.25% flat rate.

Consider those numbers another way. Using the \$20,000 taxpayer as a base, the \$100,000 taxpayer earns five times as much money. But he pays almost 10 times as much income tax. The \$1 million taxpayer earns 50 times as much money and pays 107 times as much income tax.

The higher earners clearly foot a larger portion of the state's income tax burden today than the \$20,000 taxpayer.

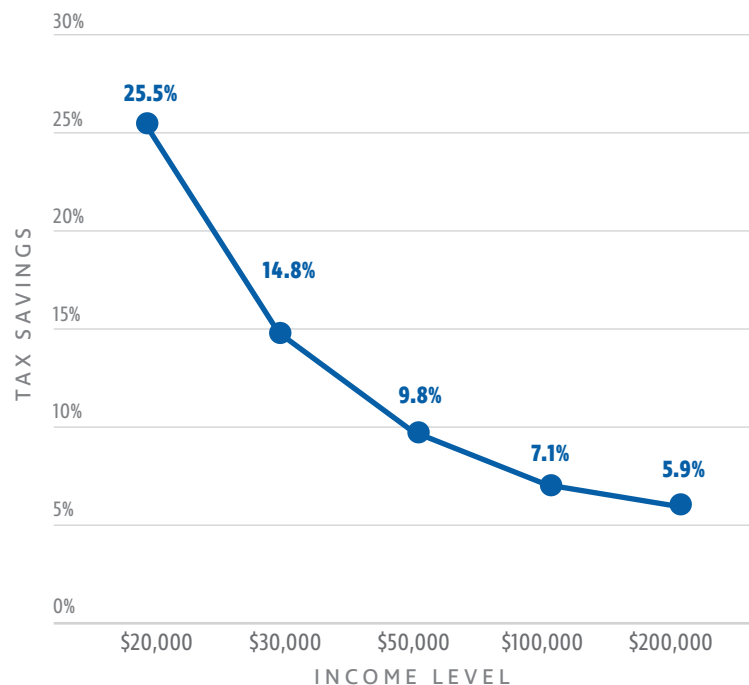
Pool their three incomes together, and the \$20,000 earner owes 0.8% of the collected income tax. The \$100,000 taxpayer owes 8.2%. The \$1 million taxpayer covers the other 91% of the burden.

This context helps illuminate the numbers spelled out in the opening paragraph. Still, the dubious among you might think that this year's proposed tax cuts will shift the tax burden more toward lower-income earners.

The opposite is true.

Dropping the tax rate and

### Tax Savings by income level under proposed North Carolina Senate tax plan



SOURCE: AUTHOR'S CALCULATIONS

increasing the standard deduction would cut the \$20,000 earner's annual income tax bill from \$485 to \$361 (the \$124 cut noted above). His effective tax rate would drop to 1.8%, and his state income tax bill would fall by more than 25%.

The \$100,000 taxpayer would see a \$332 cut from \$4,685 to \$4,353. His effective tax rate would dip below 4.4% as his tax bill dropped by 7%. The \$1 million taxpayer would enjoy the \$2,672 cut noted at the outset of this column, and his overall income tax bill would decline by 5%. Yet his effective tax rate still would top 4.9%.

Using the \$20,000 earner as a base, the \$100,000 taxpayer (with five times as much income) would owe 12 times as much tax. The \$1 million taxpayer (with 50 times as much income) would owe 136 times as much tax.

Pool the three incomes together again, and the \$20,000 earner's share of the income tax bill drops

to less than 0.7%. The \$100,000 taxpayer picks up a little more than 8% of the bill. The \$1 million earner now carries 91.3% of the load.

Of course, these computations carry caveats. We've said nothing about other credits and deductions that would benefit high-income taxpayers more than low-income earners. To the extent that those outside credits skew the tax code, they deserve more scrutiny.

I've also limited my discussion to single taxpayers, not married couples or families with kids. The state's standard deduction and child tax credits do even more to benefit couples and parents at the lower end of the income scale.

All the dollar figures, percentages, and relative tax burdens shouldn't obscure one key point: Debates about tax cuts require context.

You need to know who's paying how much of the bill today before deciding who should pay how much of the bill tomorrow.

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## COMMENTARY

# Apple's sweetheart deal has a rotten core



**DONALD BRYSON**  
PRESIDENT  
JOHN LOCKE FOUNDATION

The economy is rigged, but not in the way Bernie Sanders thinks. Capitalism is not the problem. Instead, an active, hands-on economic approach has allowed corporations and politicians to rig the tax code in their favor.

To find an example of what I am talking about, look no further than the recent announcement from the N.C. Department of Commerce that Apple has selected North Carolina's Research Triangle as the location for its newest research and development campus.

Apple, who became the first company to record a market value of \$2 trillion in 2020, will receive up to \$845.8 million in taxpayer incentives over the next 39 years. To put that in perspective, a child born this year could be elected as president of the United States before North Carolina has finished paying off this commitment to a multitrillion-dollar, internationally invested, Wall Street-traded company.

Apple's incentives will come from the Job Development Investment Grant. JDIG is a discretionary incentive program that provides cash grants directly to new and expanding companies to offset



the cost of locating or expanding a facility in the state. In short, JDIG is what we call "corporate welfare," and both Democrats and Republicans are guilty of picking winners and losers with taxpayer money.

But what is corporate welfare, and what is wrong with it? Corporate welfare, strictly defined, is any government program that provides unique benefits or advantages to specific companies or interests. These could include programs that offer subsidized loans or insurance to companies, specialized tax refunds to particular industries, or direct grants to businesses. North Carolina has several such programs, such as grants for film production, a statewide county property tax abatement for solar energy installations, and of course, JDIG. To say it another way, corporate welfare is any government spending program that subsidizes

some businesses at the expense of higher tax rates for other companies and individuals.

The first problem with these programs is by giving selected businesses and industries unique advantages, corporate subsidies put businesses and industries that are less politically connected at a disadvantage. Programs like JDIG foster a toxic relationship between business and state government. All too often, the firms and industries that are the most politically connected are the largest recipients of government handouts. By way of example, Apple was able to ink one of the largest corporate incentive deals in state history and has nine registered lobbyists in North Carolina, according to the Secretary of State's office. A fair tax code would treat all businesses, regardless of political connectivity, equally.

The second problem is that gov-

ernment has an awful track record of picking winners and losers. We know about the Solyndra debacle, created by the federal government, but the state government is not much better. In fact, according to a 2019 report from WRAL, "a third of the incentive projects announced under North Carolina's largest economic development programs in the last decade failed to generate a single new hire."

Third, corporate welfare programs are anti-capitalist. Sen. Bernie Sanders and Congresswoman Alexandria Ocasio-Cortez have called these programs "unfettered capitalism," but nothing is further from the truth. Corporate welfare programs, in fact, fetter corporations to the actions of government, create those circular toxic relationships I mentioned above, and lead to the creation of what the Cato Institute has described as the "statist businessman."

Finally, corporate welfare is a slap in the face of North Carolina's image as a national leader on state tax reform. Legislators passed a string of historic tax reforms beginning in 2013. Those reforms transformed North Carolina from one of the worst states to do business to one of the best. According to the Tax Foundation, this state has moved from the seventh-worst state business tax climate to the 10th best. And the economic results have been profound.

From January 2014 until March 2021, North Carolina created more than 382,000 jobs — an average of 4,393 jobs per month. By compari-

son, Apple's new deal will generate less than one month's average statewide job growth.

And while the COVID recession has caused a bump in the road for the state and national economies, North Carolina has seen remarkable wage growth with the implementation of tax reforms. According to a 2019 report from the state Department of Commerce, North Carolina's "total private-sector year-over-year wage growth rates have exceeded those of the nation nearly every month since June 2015."

If North Carolina is going to continue its economic growth, sweetheart tax deals for specific companies will not get the job done. A 2020 study from Columbia University failed to find that "firm-specific tax incentives increase broader economic growth at the state and local level."

But, there appears to be an addiction to ribbon cuttings in downtown Raleigh. As a candidate, Gov. Roy Cooper was opposed to "corporate tax giveaways." And Republican leadership at the General Assembly led the charge on tax reform that has become a model for other states. For the state to continue down the path of sweetheart, rotten Apple deals means state lawmakers are turning their back on a model for economic success.

N.C. taxpayers should not be celebrating Apple locating in the Research Triangle. Taxpayers should be screaming toward Raleigh that "we, the people, are taxed enough already."

## History repeats itself

continued from PAGE 2

Fast forward to today. Brown University Professor Glenn Loury, a black man, speaking to the University of Idaho Law School chapter of the Federalist Society, said mob rule and especially mobs around a courthouse are a "catastrophe for democracy." Referencing the Derek Chauvin trial, Loury said mobs violate the rights of everyone, including the accused. No media covered Loury's analysis, but you can find it on YouTube.

The deference shown to the Democrat Party narra-

tive of racial divisiveness, systemic racism, and white privilege reminds me of how the media complied with the ruling class in World War I. Antifa and Black Lives Matter violence and arson that devastated American cities, took over local government buildings, left dozens of policemen injured, and destroyed federal property are deemed "peaceful protests." Meanwhile, those who stormed the U.S. Capitol on Jan. 6 are tantamount to traitors guilty of treason. Cancel culture and its virtual mob destroy the lives of anyone who doesn't bend a knee to wokeness. President Joe Biden calls Georgia's new election integrity laws "Jim Crow on steroids" or "Jim Crow 2.0," and the media doesn't ask critical questions. We are so far from Martin Luther King's dream of a colorblind society, yet no journalist seems willing



**Big Tech is the government's muscle. Facebook, Twitter, Amazon, and others de-platform or censor people and outlets critical of the Democrat narrative.**

to challenge leftist orthodoxy.

Fortunately, North Carolina's first black lieutenant governor, Mark Robinson, a Republican, isn't afraid. With defiance and emotion, he testified in front of a Democrat majority on the U.S. House Judiciary Committee in a hearing titled "Oversight of the Voting Rights Act: The Evolving

Landscape of Voting Discrimination." In his opening remarks, he said it was "insane" to equate voter ID laws with the harassment, threat of violence, even death that occurred during the Jim Crow era.

Like Robinson, Loury isn't afraid. He feels called to "tell the truth" and is frustrated with the prevailing narrative and the media's obsession with racial divisiveness. He is also quick to say that there is no Jim Crow in the United States. I encourage you to find him at blogging-heads.tv.

Media outlets do cover Robinson's comments, but he doesn't get the deference Democrats enjoy. In fact, just the opposite. Not long ago, WRAL published a cartoon depicting Robinson as a Klansman — complete with a white hood and robe — for daring to challenge North Carolina's new radical

social studies standards rooted in racial divisiveness.

It's a far different media experience for North Carolina's Democrat governor, Roy Cooper, a white man who gets treated with kid gloves. Cooper hasn't held an in-person press conference in 13 months. However, he has marched in person with Black Lives Matters at the height of the pandemic and his government-ordered lockdown. Recently he, along with a couple hundred other people, attended the No Vets Left Behind rally. We have pictures. He also delivered his State of the State speech in person to the full legislature, Council of State, and his cabinet.

Given that we know he goes out in public, how is it that he can't have anything other than a tightly controlled virtual press conference? More importantly, why doesn't any corporate

media outlet care enough to ask? I'll answer my own rhetorical question. Either they have no sense of curiosity, which should be a fatal flaw for any journalist, or they share his world-view, which means they are more like propagandists parroting whatever Cooper's press office releases. It's embarrassing.

Today, the government doesn't have to arrest an individual or shut down a news outlet that doesn't comply. Big Tech is the government's muscle. Facebook, Twitter, Amazon, and others de-platform or censor people and outlets critical of the Democrat narrative. Cancel culture shames others into compliance. Like they did in World War I, journalists may awaken with a propaganda hangover and recognize that they've been used by the ruling class. In that case, I hope history repeats itself.







# COMMENTARY

## *Bill forcing schools to serve muscadine juice should die on the vine*



**JOHN TRUMP**  
MANAGING EDITOR

A bill filed in the state House in February is meant to encourage healthy eating in schools, particularly healthy food grown or produced in North Carolina.

Thing is, this bill does nothing of the sort.

The measure, House Bill 136, promotes muscadine grape juice in public schools and the state's colleges and universities — as part of their lunch programs and in vending machines. The scuppernong grape, a variation of the muscadine, is the official fruit of North Carolina. So says the bill.

Rep. Julia Howard, R-Davie, is the bill's primary sponsor. Whether Howard is leaning toward the interests of political donors or wants simply to promote N.C. agriculture — a worthy pursuit, on its face — is irrelevant.

The bill has myriad problems. That it's mostly ridiculous is the overarching theme here, but I'll be specific. First, the bill requires schools to make 100% muscadine grape juice available to students, including those in charter schools. It's a government mandate that favors one segment of private business over another, and the move should die because of that



**ROWS OF MUSCADINE GRAPES.** A muscadine grape called the scuppernong is the official fruit of North Carolina.

alone. Big and prosperous producers will jump in and dominate supply chains, because the juice will be cheaper, all because of a mandate funded by taxpayers.

Now, I'm not one to criticize wine and its numerous health benefits, consumed responsibly, of course. Muscadine juice, both red and white, is fat- and cholesterol-free and loaded with vitamins and antioxidants, such as resveratrol.

It's also loaded with sugar, albeit natural. "Even without added sugars, one cup of grape juice contains 36 grams of sugar and almost no fiber, so it can cause your blood sugar to spike," WebMd says. Excess sugar intake, for all

of us, is a problem. This bill only perpetuates it.

"The Dietary Guidelines for Americans recommends limiting juice to a half-cup serving per day," WebMd says.

H.B. 136 says juice made from the muscadine grape doesn't need added sugar, but who's going to police what's bought and distributed? Muscadine grapes are popular for making jams, jellies, and the like. Because the grapes are, well, sweet.

Sure, grape juice is a better option than soda, or sports or energy drinks, too. But let's not promote the idea of children guzzling grape juice bought from vending machines. The state House approved

the bill, 91-22. As of this writing, it sat in a Senate committee.

Consider this: Three out of four members of the House voted to further extend the government's reach into our schools, by mandating untold gallons of grape juice. Go figure.

Obesity is a serious problem in the United States, say health experts, including the Centers for Disease Control and Prevention. The prevalence of obesity in children 2 to 19, the CDC says, was 18.5%. About 13.7 million children and adolescents were obese. "Obesity prevalence was 13.9% among 2- to 5-year-olds, 18.4% among 6- to 11-year-olds, and 20.6% among 12- to 19-year-olds," the CDC says.

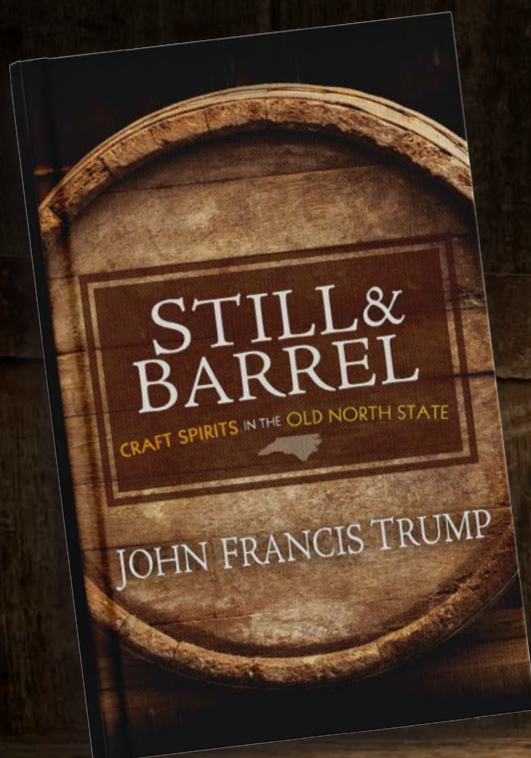


**The bill requires schools to make 100% muscadine grape juice available to students, including those in charter schools. It's a government mandate that favors one segment of private business over another, and the move should die because of that alone.**

I'm a huge fan of N.C. agriculture, our crops and our livestock, but forcing sugar-rich drinks down schools' throats won't make kids healthy. They need 60 minutes of physical activity each day. At least. We all do.

Again, from the CDC: Less than one-quarter (24%) of children 6 to 17 years of age participate in 60 minutes of physical activity every day. In 2017, only 26.1% of high school students participate in at least 60 minutes per day of physical activity on all seven days of the previous week.

The bill, to be clear, doesn't force students to drink the juice, so there's that, I suppose. Still, better and healthier options are readily available and a whole lot cheaper. Just provide, sans mandates, the whole grapes. Or sweet potatoes or apples. And a tall glass of water.



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## COMMENTARY

## Schools can strive for diversity but can't sacrifice learning



**ANDY TAYLOR**  
COLUMNIST

The state's two largest school districts — Charlotte-Mecklenburg Schools and the Wake County Public School System — are both in the country's top 20 by size. But over the past 20 years, Wake has gained the stronger reputation. CMS has experienced only a 13% increase in enrollment over the past 15 years, while the area's general population has nearly doubled. Between 2010 and 2020, Wake's enrollment grew about two-thirds the rate of the county's overall population.

Why has WCPSS done better? Experts point to the districts' contrasting approaches to race and school assignments. The districts reacted differently to court decisions undercutting the use of busing to ensure racial balance. CMS responded by basing its assignment policy largely on students' geographic proximity to a school — not least because it had been the defendant in the nationally significant 1999 *Capacchione* case. The approach led to racial clustering in schools, a development critics characterized as "re-segregation."



The Wake County Public School System's diversity policies will be meaningless if it loses its reputation as the best large school district in the state.

Wake was more creative. Its established magnet school structure, designed to attract suburban white children to city schools, made it easier to pursue diversity goals post-*Capacchione*. In the 2000s, WCPSS diversified schools using socio-economic metrics, specifically the proportion of children receiving free and reduced-price lunch and reading below grade level. These were correlated but not synonymous with race. Year-round schools also helped mix students. A huge influx of residents resulted in a chaotic assignment process for a time. But the system generally received favorable reviews.

What is the lesson here? It is not necessarily that diversity is popular and self-evidently effective. The 2009 elections revealed Wake

County residents' discontent with the district's assignment practices, including busing for class diversity. A Republican-governed WCPSS responded by relying more on neighborhood assignments, an approach continued by Democrats when they regained control a decade ago. My research from the mid-2010s reveals many minority families value investment in their neighborhood schools over a policy that has their children on buses for more than an hour a day.

But the experiences of CMS and WCPSS also suggest strategic diversification can work. Even with a more "laissez-faire" assignment policy, CMS performs worse. Fewer than one in five Wake schools got a D or F grade in 2019. Over one-fourth of CMS schools did. WCPSS

beat its rival by six percentage points in the proportion of A and B schools.

The year 2020 brought huge challenges for public schools. Unless Wake gets its response right, it risks tarnishing its reputation as the best large school district in the state. Its diversity policies will be meaningless.

Early signs are not hopeful. After 13 months, WCPSS finally opened in April for all students who wanted to be in school buildings. It was a struggle and done at the behest of parent opinion despite significant opposition from the N.C. Association of Educators, the state's de facto teachers union. Meanwhile, most private schools had been open for some time, and a sizable minority did not close at all.

Homeschooling, potentially a nuisance for many families, increasingly appears as an arrangement parents feel they can manage and their children profit from. These options have become more appealing, particularly for those who took the opportunity presented by the pandemic to try them. And I have not even mentioned the attraction of charter schools.

A second challenge is more closely related to issues of racial and ethnic diversity. National events over the past year have people thinking seriously about race and the criminal justice system. Some administrators and progressives are more interested

in exploiting them. They want to remove school resource officers — generally police personnel — from campuses. They want to overhaul traditional curricula and rebuild them around the concept of "social justice." This is not just the case for subjects like social studies, where the Pulitzer Prize-winning 1619 Project has exerted considerable influence. It is also true in English and even the natural sciences. Many also wish to get rid of standardized tests, the only true benchmark of academic success in our decentralized system and era of grade inflation.

Parents are worried. A WCPSS survey about SROs found a large majority supported their presence in schools. Many want their children to have a broad understanding of history, including our country's experiences with race. But they are legitimately concerned by increasingly politicized and divisive curricula that have little relevance to the challenges their children will face in the real world.

School districts can pursue racial diversity successfully. But they need to demonstrate to parents and taxpayers that they invest resources strategically, nurture academic excellence, and offer the courses students need to be successful in life.

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

## A coming test of a new economic idea



**MICHAEL WALDEN**  
COLUMNIST

**THERE'S AN OLD JOKE** about two economists working hard on a new theory. After spending months developing their ideas, including scores of equations and mountains of proofs, they are proud of their accomplishment. After savoring their results, one of the economists looks at the other and says, "Now that we know our ideas work in theory, let's see if they work in practice."

We are on the verge of one of those tests. A relatively new economic theory — modern monetary theory, or MMT — can be viewed as the intellectual basis for new spending plans being proposed by the Biden administration. While some of the new spending could be

funded with higher taxes, followers of MMT argue it really doesn't matter if the money comes from borrowing.

How do MMT promoters reach this conclusion? Here's the main points of their theory. First, they assume there's "slack" in the economy. This means there are underutilized resources that cause the economy to grow below its potential. Second, they assume the central bank of the United States — the Federal Reserve — stands ready to "fund" federal spending by buying government debt with money they create. Third, faster inflation won't result because additional growth in the economy resulting from the new government spending will cause the supply of goods and services to keep up with the additional spending.

In short, it's only our misguided worries about government deficits and debt that prevent us from accomplishing great things in the economy and solving many of our longstanding problems, says MMT.

The fingerprints of MMT thinking can be seen in the administration's talking points for the recently proposed \$2.3 trillion "infrastructure" plan. Promoters argue the plan will increase the productivity and growth potential of the economy by modernizing and expanding "physical" infrastructure such as roads, bridges, rail, broadband, and energy, as well as "human" infrastructure, including skill development, health, safety, and family support.

MMT is clearly a departure from the way professional economists have viewed the economy. My economic training occurred 50 years ago, and there was no mention of MMT. I was taught that, while there may be slack in the economy during recessionary periods, during growth periods that slack will disappear. For example, when the unemployment rate hit an almost 50-year low in early 2020, most economists believed the economy was operating at top speed.

With 8 million fewer jobs today than a year ago, there certainly is slack in today's economy. But it could disappear very quickly. Over the past year there's already been \$6 trillion appropriated by the federal government to help the economy recover from the pandemic. All this money has been borrowed. As vaccinations accelerate and both consumer and business confidence increase, spending will likely soar.

This means another key assumption of MMT — that inflation won't increase as a result of a "borrow-and-spend" government program — is questionable. The risk of higher inflation from the Fed printing excess money has always contained this type of policy. Forecasters, as well as markets, are already predicting higher inflation rates this summer. If MMT ideas are embraced by the Fed, fuel would be added to the inflationary fire.

The last concern about MMT is part of a bigger debate. If there are improvements needed in both

physical and human infrastructure, who is better able to do them: government or the private sector? MMT gives the leadership to government.

But when government is involved, there are two major concerns. One is politics. To what extent will political influences — in terms of favoring constituencies or interest groups — interfere in the allocation of funds? And if they do, will this reduce the effectiveness of the spending in achieving its goals, as many studies have shown?

For all the objectives of the Biden infrastructure plan, there are private market alternatives, such as toll roads, carbon fees, charter schools, health care vouchers, and the earned income tax credit. These should be part of the MMT debate.

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



# COMMENTARY

## Occupational licensing reform is a must



**JORDAN ROBERTS**

GOVERNMENT AFFAIRS ASSOCIATE  
JOHN LOCKE FOUNDATION

Article I of the N.C. Constitution unambiguously states that the rights of a person in this state include “enjoyment of the fruits of their own labor.” The right of people to chart their path through work has been a central tenet of the United States from the very beginning. Those who drafted North Carolina’s Constitution understood how important it was to ensure that every individual had the right to make a living from their labor. Despite this fundamental freedom, restrictive occupational licensing laws have grown in number and scope for years.

Some may not realize how extensive the state-based occupational licensing regime has become in the United States. For example, in a 2004 article, Pam Brinegar found that of over 1,100 state-regulated professions, only 60 are regulated by all states. Furthermore, a 2018 report from the Federal Trade Commission noted that the percentage of U.S. jobs that require licensure has increased from less than 5% in the 1950s to between 25% and 30% today.

In addition to threatening peo-

ple’s fundamental right to earn a living, occupational licensing laws also create negative economic impacts. Research has shown that occupational licensing erects barriers to work by limiting the number of people in a profession. This means fewer people are allowed in a given occupation, which results in less competition in the labor market, higher costs for consumers, and higher earnings for those already in the profession. These laws also limit the mobility of individuals who are already in the profession who wish to move to another state because, in most cases, licenses are not recognized except by the state which issues them.

While some states have begun to reform occupational licensing laws, some state legislatures across the country continue to sanction and expand their reach into the labor market. So how can North Carolina increase occupational freedom? Adoption of a default position of only enforcing occupational licensing for those professions which are absolutely necessary would be ideal. Furthermore, the state would regularly scrutinize the benefits of these occupational licensing boards, eliminating unnecessary ones. Short of embracing this position, which states have been reluctant to do, reforms can be enacted to minimize the burden of occupational licensing on those who wish to work in our state. These reforms include model laws, state licensure compacts, and universal licensure recognition laws. Each of these



**OCCUPATIONAL LICENSING.** Many occupations, such as hair stylists, are required by the state to attend schooling, pass exams, and pay licensing fees in order to practice their trade.

reforms attempts to promote more licensure portability but do so in slightly different ways.

Each of the reforms promotes portability of licenses in the current system, but one can characterize them as representing different tiers of easing licensing burdens. The lowest tier of reform is model laws. These laws attempt to increase uniformity among states as it pertains to their regulations of certain occupations. This type of licensure portability measure is usually borne out of professional associations which seek to decrease variability in how states govern occupations. These laws do not need to be adopted identically in each state to have the stated effect, as they are a bottom-up attempt to ease licensure

portability.

The middle tier of reform includes state licensure compacts. These compacts are agreements among a group of states to recognize licenses from other compact states or expedite the process of getting licensed in another compact state. Unlike model laws, the language of the laws for each state that decides to join the compact must be the same and can be changed only through mutual agreement from the compact states. North Carolina has joined several compacts, such as the Nurse Licensure Compact and the Psychological Interjurisdictional Compact. Bills have been filed this session with the hope of adding North Carolina to the Interstate Medical Licensure Compact and

the Occupational Therapy Licensure Compact.

Finally, a system of universal recognition represents the highest tier of system reform. If N.C. lawmakers implemented such a program, state licensing boards would be directed to recognize licensees from other states who are in good standing with their home licensing board. Licensees would register with the licensing board that oversees their profession in North Carolina. However, they would not have to go through the entire process of obtaining and maintaining a separate N.C. license from the state in which they were initially licensed. Legislation for a universal licensure system has been introduced in the General Assembly this session with this same goal in mind.

Our country’s state-by-state licensing system creates extensive entry barriers to work while limiting the mobility of people who wish to use their occupation in states in which they are not licensed.

Workers don’t lose their skills or practice their trade any differently because they cross an artificial boundary line by traveling from one state to another. The ideal position of states would be pure occupational freedom, with licensing boards implemented only when absolutely necessary. Otherwise, states can reform the current system with some of the policies described above to make it as easy as possible for a licensed worker to make a living in our state.



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