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CAROLINA JOURNAL

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Donor Privacy

Should a light shine on your contributions to nonprofits?

U.S. senators take aim at JLF

BY KARI TRAVIS

In July 2016, the John Locke Foundation, along with 47 other free-market public policy think tanks, came under fire from nine Democratic U.S. senators, who accused the organizations of forming a “web of denial” about the role of human activity in climate change.

Lawmakers debated the issue for two days in the Senate and threatened to go after JLF using laws meant to crack down on organized crime. The U.S. Supreme Court ruled, in other circumstances, that such tactics violate the First Amendment.

Representatives of the free-market groups sent the senators a letter, dated July 12, saying the “enemies list” was a threat.

“There is a heavy and inconvenient cost to disagreeing with you. Calls for debate will be met with political retribution. That’s called tyranny. And we reject it,” the letter stated.

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KARI TRAVIS
ASSOCIATE EDITOR

Paul Gessing wanted to pop the top on Santa Fe’s soda tax. That was all.

The president of the libertarian Rio Grande Foundation never planned to file a lawsuit against the city. But

when Santa Fe lawmakers accused him of violating a campaign finance ordinance and demanded to see his donor list, he thought he had no choice.

The trouble began in March, when Santa Fe Mayor Javier Gonzales proposed a 2-cent-per-ounce tax on sugary beverages including soda, energy drinks, sports drinks, juice boxes, and even sweetened coffee. The revenue would fund a Pre-K program for the city, Gessing told *Carolina Journal*.

The tax was bad news, RGF policy analysts said. Beverage prices would explode. The cost of a soda 12-pack would nearly double. Low-income families would suffer.

On April 6, RGF released a website and video voicing their concerns. The goal was to tell voters what would happen if they greenlighted the plan.

The same day RGF released the video, Gessing got a letter from the city’s attorneys.

“They said, ‘If you go ahead with this, you’re going to have to disclose your donors.’ And that’s when I kind of freaked out a little bit.”

RGF had done nothing illegal by IRS 501(c)(3) nonprofit standards, Gessing said. They weren’t campaigning on behalf of a candidate. They weren’t engaged in inappropriate advocacy.

“It was news to me. I was running around with my hair on fire for the next few days trying to figure out what to do going forward because it

was totally unexpected.”

RGF violated a city law, passed in 2015, that forces nonprofits to disclose donor information if they campaign on ballot initiatives, city attorneys said.

Gessing appeared before the city ethics board, where he was forced to disclose the nonprofit that produced the website and video, as well as the name of the donor who funded the project.

RGF decided to keep the

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Interview with Mark Johnson

Superintendent of Public Instruction talks about lawsuit with State Board of Education.

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‘Brunch bill’ a big hit across state

Residents of municipalities and counties throughout North Carolina from Wilmington to Asheville and in more than 100 localities in between can start their Sundays with a cocktail.

All of North Carolina's larger cities, including Raleigh, Charlotte, Greensboro, and, lately, Durham and Fayetteville, have embraced earlier Sunday alcohol sales.

A provision allowing restaurants to begin selling liquor at 10 a.m. Sunday — as opposed to noon — was a big part of Senate Bill 155. Alternately known as the “brunch bill,” Gov. Roy Cooper signed it into law June 30. The bill also allows craft distillers to sell five bottles to customers each year and allows the distillers to offer tastings at festivals and other events. The tastings are contingent on local approval, as are the Sunday brunch sales.

The North Carolina Restaurant and Lodging Association lobbied hard for the bill throughout the legislative process.

“North Carolina offers 18,000 restaurants and



SENATE BILL 155. A provision allowing restaurants to begin selling liquor at 10 a.m. Sunday — as opposed to noon — was a big part of Senate Bill 155.

1,800 hotels,” NCRLA President and CEO Lynn Ming-yes said in a statement. “As communities across the state give consideration to this issue, we want to do all we can to assist the governmental process, in turn, better serving those visiting our great state.”

Backing that up, the asso-

ciation prepared a “Brunch Bill Ordinance Toolkit,” which includes talking points on why the bill should be adopted on a local level and on how to communicate about the bill with local officials, the group's website says.

“Before passage of S.B. 155,” says one point,

“North Carolina was one of only three states with no on-premise Sunday morning alcohol sales. Twenty-one other states permit earlier Sunday sales uniformly through state law. The remaining 26 either regulate Sunday morning alcohol sales entirely at the local level or allow local

governments to opt in or opt out of a state law allowing for the earlier sales.”

Says another, “More than 55 million people travel to North Carolina annually, many of which are from countries and states that do not have laws restricting alcohol service on Sundays. This leaves guests confused when our members have to refuse service until noon.”

Some North Carolina lawmakers argued vehemently against the bill, saying people would leave church early and head to the bar, and drunkards would disrupt Sunday services. Beer and wine, some said, well, they're here, and we must live with it. But not whiskey and the like.

Fayetteville opted for the brunch ordinance Aug. 14. New Bern, which held out originally, also recently signed on.

“We're really excited,” Ricky Biggs, senior manager of a Fayetteville Bonefish Grill told *The Fayetteville Observer*. “We have been waiting for this for a long time. It's going to boost business for us.”

—From staff reports

State Board of Education approves teacher pay pilot programs for six school districts

THE STATE BOARD of Education approved teacher pay pilot programs in six school districts to start in the 2017-18 school year.

Currently, teacher pay is tied to the number of years a teacher spends in the classroom. Sometimes local school districts supplement teacher salaries.

Terry Stoops, vice president of research and director of education studies at the John Locke Foundation, argued against this model, saying it can drive quality teachers away from schools.

“Paying them based on experience and credentials is really a disincentive for our top-performing teachers to stay in the system,” Stoops said.

Essentially, a teacher who has been performing adequately for 10 years can be paid substantially more than an excellent teacher with only three years under her belt.

“If I'm a great teacher and I'm only three years in the profession, then I start to ask myself, ‘Why am I staying here, and what incen-



NEW TEACHER PAY PROGRAM COMING. Currently, teacher pay is tied to the number of years a teacher spends in the classroom.

tive do I have to drive my students to do better and drive myself to be a better teacher if I'm simply paid for how long I stay here?” Stoops asked.

A change was needed, so in 2015 the General Assembly called for the state board to implement pilot programs in local districts to see whether an alternative teacher pay

model could keep quality teachers in schools and improve student performance. Lawmakers approved \$10.2 million over the next three years for the plan.

Twelve districts applied for the program, but only six were chosen. Chapel Hill-Carrboro, Charlotte-Mecklenburg, Pitt, Edgecombe, Vance, and Washington school districts all got the green light to roll out their programs.

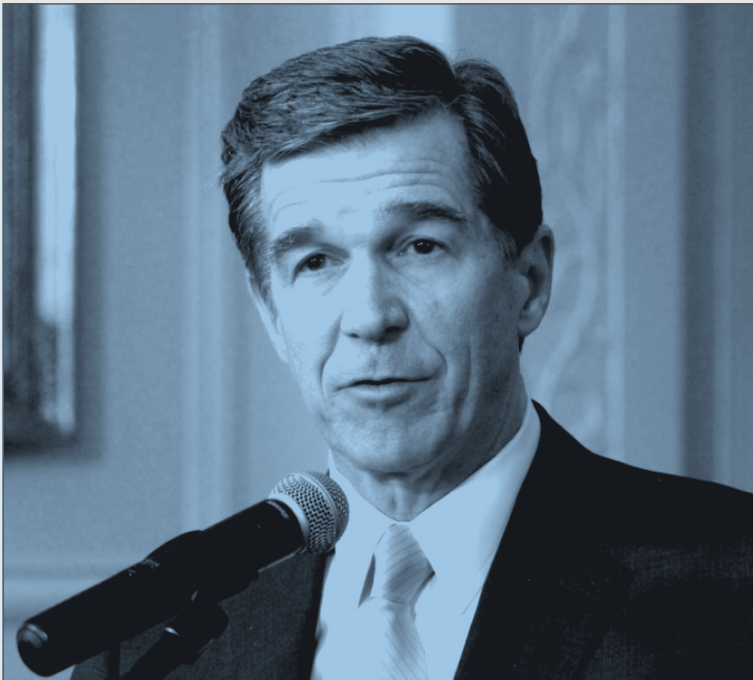
Each pilot program is different, but they all include linking teacher pay to professional growth and performance, with some plans including bonuses for improving student test scores.

“Localities often have better ideas,” Stoops argued. “They have a greater understanding of their teaching staff and what the needs are, so giving them the ability of broad experimentation is a better approach.”

Representatives of the State Board of Education could not be reached for comment.

—From staff reports

QUICK TAKES



Governor's Teacher Advisory Committee snubs charter schools

OF THE 25 MEMBERS on Gov. Roy Cooper's Teacher Advisory Committee, not one teaches at a charter school — even though enrollment at charters has surpassed the six-figure mark.

The governor in August issued Executive Order 16, which established the Teacher Advisory Committee. Comprising teachers and support personnel picked by Cooper, the committee will act as ambassadors on behalf of the governor at designated events.

But the omission of charter school teachers is likely not a mistake. It's also noteworthy because one pick for the committee is Mark Jewell, president of the state's main teachers' association, the North Carolina Association of Educators.

While Cooper's office failed to respond to questions asking why charter school teachers were excluded, he has established a record of favoring traditional public schools over school-choice alternatives including public charter schools and scholarships for low-income and disabled students.

In his proposed budget, the governor did not include any fund-

ing for Opportunity Scholarships, a program which helps low-income families send their children to a nonpublic school. When the General Assembly presented Cooper with its version of the budget, Cooper accused lawmakers of draining funding from public schools to pay for private school vouchers.

The governor also claimed in a lawsuit the legislature's budget



Public charter school leaders should be outraged that Cooper and his staff intentionally excluded charter teachers from the Teacher Advisory Committee.

was unconstitutional because it set aside a decade's worth of funding for Opportunity Scholarships.

Terry Stoops, vice president of research and director of education studies at the John Locke Foundation, also criticized the governor's decision to exclude charter school teachers.

"Public charter school leaders should be outraged that Cooper and his staff intentionally excluded charter teachers from the Teacher Advisory Committee," Stoops argued. "Their contempt for charter schools, which will likely employ around 6,000 teachers and educate over 100,000 students this school year, is comically misguided."

— From staff reports

Federal Right to Try bill could bypass FDA bottleneck

Right to Try is gaining momentum across the country, yet states worry a cumbersome federal approval process will continue to inhibit patients' access to experimental drugs.

The Food and Drug Administration allows health care providers access to experimental drugs and procedures, but the process can take months, which frustrates terminally ill patients searching for a cure. Right to Try advocates are hopeful Congress will continue advancing federal legislation backed by the Trump administration.

In North Carolina, House Bill 652 opened the door in 2015 for terminally ill patients to try experimental drugs or procedures, but only after exhausting all other options. The patient's doctor must also provide a recommendation for the treatment, and patients are required to give "informed consent" before going forward.

The bill passed unanimously in the House and Senate. Former Gov. Pat McCrory signed H.B. 652 into law in July 2015.

"There is tons of bipartisan support for this issue," Starlee Coleman, a senior policy adviser at the Goldwater Institute, said. "Red states, blue states, purple states all support this. It is passing unanimously and is signed by Democratic governors and Republican governors. It is truly nonpartisan and is something that has an overwhelming groundswell of grass-roots support."

The expanded access program, sometimes called the compassionate use waiver, is a formal way for terminally ill patients to ask permission from the FDA to use experimental treatments. Going through the process is time-consuming. The FDA has a month to determine whether to grant or deny the request, and any questions restart the entire review process. Finally the Institutional Review Board must decide whether to approve the patient's application.

Thirty-seven states have Right to Try laws, and the other 13 have introduced legislation toward that end. The Goldwater Institute, a free-market public policy think tank, has championed Right to Try legislation across the country.

Right to Try laws, such as North Carolina's, bypass the FDA waiver program and shorten the process to receive treatment. Advocates for Right to Try laws continue to push for a federal law that would prevent the FDA from superseding the state. When state law and federal law conflict with each other, it



is the federal government that usually wins through the supremacy clause in the U.S. Constitution.

Prospect of compensation could lead to more matches

With bone marrow donors in short supply, thousands of cancer patients die every year waiting for a match. A life-saving means of encouraging more donors may soon be at hand. The U.S. Department of Health and Human Services has withdrawn a controversial proposed regulation barring bone marrow donors from receiving payment for their donation.

Under the National Organ Transplant Act of 1984, donating an organ for payment is a crime with punishment ranging from a fine of \$50,000 or up to five years in jail. In 2013, the Obama administration proposed a rule expanding the definition of human organs to include bone marrow, which made receiving payment for bone marrow donations illegal under NOTA.

The Institute for Justice, a nonprofit libertarian public-interest law firm, has long argued to allow bone marrow donors to get compensation. It even filed a lawsuit in 2009 against U.S. Attorney General Eric Holder. In 2012, the 9th U.S. Circuit Court of Appeals ruled in *Flynn v. Holder* that the most common method for donating bone marrow called apheresis did not fall under NOTA restrictions.

Michele Goodwin, the chancellor's professor of law at the University of California-Irvine and the director of the Center for Biotechnology and Global Health Policy, says public opinion toward donor compensation is changing, but

the federal government has yet to catch up to the trend.

She suggested a fear of exploitation might explain the resistance to allow donor compensation.

"The concern is that vulnerable people would sign up for this and vulnerable people would be exploited," Goodwin explained. "Here's where the theory has not matched the problem. Bone marrow can save a life. Bone marrow is also regenerative, so it's not as if when someone donates bone marrow that they have now depleted it all for themselves."

With 11,000 Americans in desperate need of bone marrow transplants, finding donors is a challenge. According to IJ, only 30 percent of patients who need a bone marrow transplant have a matching donor in their family. The remaining 70 percent must find a match on the national registry, but it takes time to find a matching donor, something patients have in short supply.

By withdrawing the proposed rule, HHS opens the door for organizations to provide financial incentives to encourage more people to become bone marrow donors. Organizations don't have to offer direct cash payment either, as Goodwin points to other ways in which donors can be compensated such as mortgage subsidies, tax write-offs, or help with college tuition.

MoreMarrowDonors, a California based nonprofit, plans to compensate donors with a \$3,000 scholarship, housing allowance, or a charitable donation of the donor's choice if they donate bone marrow. With the rule gone, MoreMarrowDonors and others like it can move forward with plans to ease the donor shortage.

— From staff reports

STATE GOVERNMENT

Bill could shine light on criminal penalties issued by licensing boards

BY LINDSAY MARCHELLO

It's entirely possible for people to commit a crime in North Carolina without even realizing it.

A bill to recodify the criminal code may help some people stay on the right side of the law, but countless others have mistakenly committed crimes. They're not burglars or con artists, but rather just people who are trying to make a living.

Each of their stories has one thing in common: occupational licensing. Buried in hundreds of pages of criminal statutes are regulation and licensing offenses. Unlike traditional crimes, the offenses don't require that a person know their actions are wrong to be found guilty.

In December 2011, the N.C. Board of Dietetics/Nutrition told health blogger Steve Cooksey he was committing a crime.

The offense?

Cooksey added an advice column to his Paleolithic diet blog and answered readers' questions on health and diet. He wasn't a li-

censed nutritionist, but he argued the advice he provided was protected by the First Amendment. He joined with the Institute for Justice in a lawsuit against the board and won.

Earlier that year, Steven Pruner was found guilty of selling hot dogs near Duke University Medical Center without a permit and was sentenced to a 45-day jail term. His sentence was suspended, but he was placed on 12 months' unsupervised probation — all for selling unlicensed hot dogs.

In a much larger case, the U.S. Supreme Court got involved in a licensing dispute in 2014 over the N.C. Board of Dental Examiners' ban on nondentists providing services to whiten teeth. The court ruled against the dental examiners board, arguing the ban violated antitrust laws under the Federal Trade Commission.

Lawmakers seem to realize the problem with overcriminalization, or at least with the organization of criminal statutes. Senate Bill 114, or the Annual Reports, Property Tax, and Recodification Commis-



Lawmakers seem to realize the problem with overcriminalization, or at least with the organization of criminal statutes.

sion, may help North Carolina's criminal codes become more accessible and easier for people to understand.

The bill would create the Criminal Code Recodification Commission under Section 10 of S.B. 114. The commission, with Chief Justice Mark Martin's supervision, would be responsible for drafting a streamlined criminal code for lawmakers to review.

Part of Section 10 requires all agencies, boards, and commissions with the ability to create criminal offenses to provide the Criminal Code Recodification Commission a list of all criminal penalties. The licensing agencies have until Dec.

1 of each year to submit their reports.

Sen. Andy Wells, R-Catawba, one of the primary sponsors of S.B. 114, said Rep. Dennis Riddell, R-Alamance, introduced Section 10 to the bill while it was in the House. Riddell could not be reached for comment.

"It is entirely possible to commit a crime without knowing it," Wells said. "There are 55 licensing boards in North Carolina, and some deal with multiple licenses."

The bill is in the Committee on Rules and Operations in the Senate.

While occupational licensing isn't the primary focus of S.B. 114, the bill opens the door for increased scrutiny over how licensing boards operate in North Carolina.

"One of the many virtues of this recodification proposal is that it will give the legislature a chance to review the crimes that have been created by these agencies and boards and decide which, if any, of them should be a part of North Carolina's criminal code," Jon Guze, director of legal studies at the John Locke Foundation, said.

Another aspect of S.B. 114 looks to see whether administrative agencies should even have the authority to criminalize behavior.

"Under the separation of powers guaranteed by the North Carolina Constitution, crimes should only be created by the General Assembly, not by administrative agencies appointed by the executive branch, and certainly not by self-interested private licensing boards," Guze explained.

North Carolina isn't alone in looking into occupational licensing. U.S. Sen. Mike Lee, R-Utah, in July introduced a bill aimed at reining in licensing boards at the federal level while also protecting them from antitrust litigation.

Eric Boehm, a reporter for *Reason*, noted that Lee's bill would give states two ways to gain immunity: "The first by bringing state licensing boards under direct supervision by the legislative and executive branches. The second by requiring states to show why a certain licensing requirement is necessary to protect public health and safety."

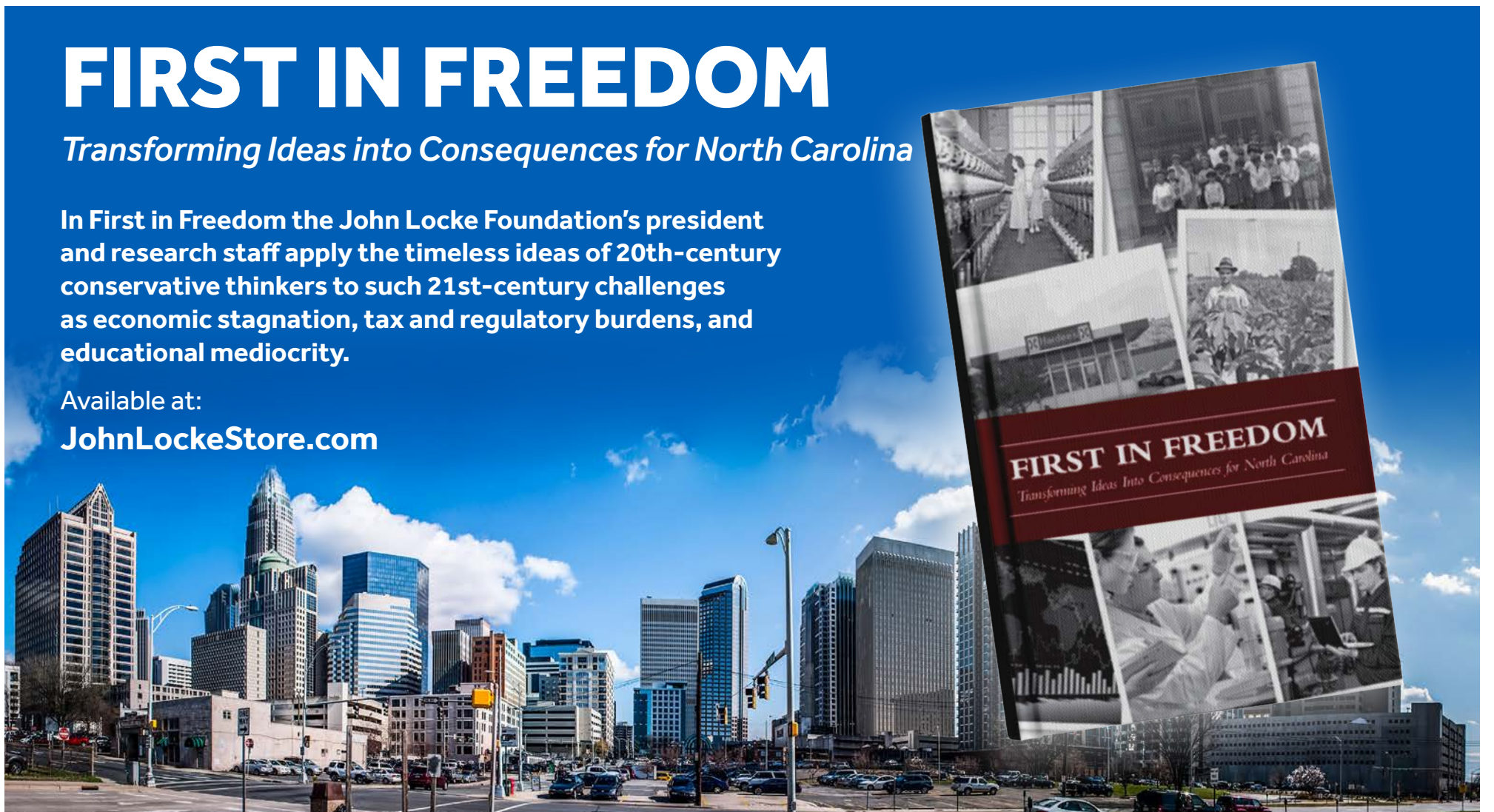
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STATE GOVERNMENT

Bill protecting free speech becomes law, without the governor's signature

BY KARI TRAVIS

North Carolina has a new security detail to ensure public university campuses stay true to the First Amendment.

House Bill 527, Restore/Preserve Campus Free Speech, became state law July 31.

The bill — an object of some criticism during the 2017 legislative session — was passed and sent to Gov. Roy Cooper on June 29. Cooper didn't sign the legislation but allowed it to pass into law.

"It is unfortunate that Governor Cooper did not stand up for the right of free expression and speech in North Carolina," said Anna Beavon Gravely, state director for Generation Opportunity.

"We hope it is not indicative of his stance on free speech going forward, where unelected employees of state government are able to intimidate into silence the views that are not their own."

The bill requires the University of North Carolina's Board of Governors to adopt a systemwide

speech policy protecting student and faculty rights. Board members will form a Committee on Free Expression to oversee university compliance.

"Advocates for free speech and the First Amendment should celebrate. Students on campus today have the opportunity to experience true intellectual diversity where ideas and beliefs are challenged and sharpened through civil discourse," Gravely said.

Several provisions were removed from the original bill after UNC administrators objected.

Lawmakers stripped the most controversial portion — a cause of action for lawsuits. They also discarded a point requiring UNC schools to remain politically neutral.

Debate around H.B. 527 was riddled with political differences. Democrats called the bill unnecessary. Republicans said it was essential.

UNC schools have improved speech policies drastically over the past year, reports from the Founda-

tion for Individual Rights in Education say.

FIRE, a nonprofit research and legal organization, classifies universities with red, yellow, and green lights. Red schools restrict speech. Green schools protect First Amendment rights.

In 2016, only one UNC school — Chapel Hill — was green.

At press time, six other campuses — Appalachian State, UNC-Wilmington, UNC-Greensboro, UNC-Charlotte, North Carolina Central, and East Carolina — got green lights.

North Carolina is now a national leader in campus speech protections, said Azhar Majeed, vice president of policy reform at FIRE.

Multiple UNC schools reached out to FIRE last year, asking for advice on how to overhaul speech policies, he said.

H.B. 527 helps cement speech rights at all 16 schools, said Lt. Gov. Dan Forest, the bill's chief advocate.

"The new law ensures that our universities will follow the First Amendment and protect the rights



COURTESY INSTITUTE FOR JUSTICE

CAMPUS SPEECH. Student protesters at UNC Chapel Hill made up nearly one-third of the audience at a talk from political commentator Ben Shapiro.

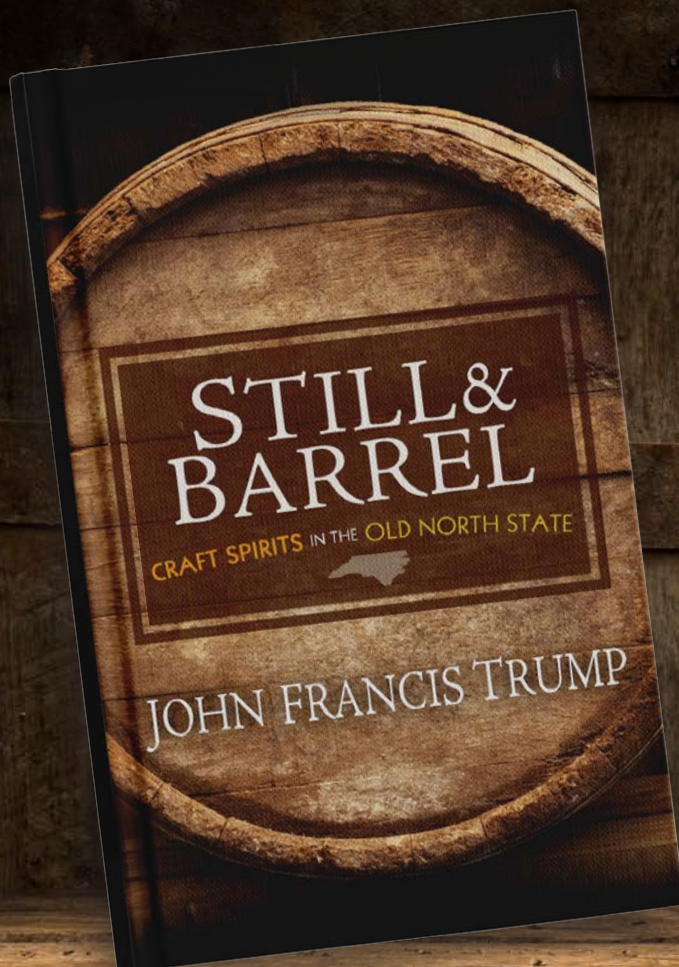
of students, faculty, and guests to speak freely on all the issues of the day," Forest said. "In order for our universities to be effective, the

marketplace of ideas must be open on campus. Today, with this bill becoming law, free speech will once again be restored and preserved."

BOOKS BY JLF STAFF



John Trump
Managing Editor,
Carolina Journal



Still & Barrel: Craft Spirits in the Old North State

ENERGY & ENVIRONMENT

Critics say N.C. State's clean energy tech center an advocacy arm of renewable industry

BY DAN WAY

Critics say N.C. State University's Clean Energy Technology Center is little more than a promotional ally of the solar industry, and the state should pull the plug on its funding.

They compare the energy center at N.C. State to controversial academic centers at the UNC School of Law — the Center for Civil Rights and the now-closed Center for Poverty, Work, and Opportunity. Detractors say those centers, even though they received no state funding, engaged in one-sided political advocacy while using the university's brand to lend their work justification.

"They're doing advocacy instead of research and education, and the General Assembly should strip their direct funding," Jenna Robinson, president of the James G. Martin Center for Academic Renewal, said of the N.C. State center. "Let them exist, but the taxpayers of North Carolina should not fund them."

Isaac Panzarella, clean power and efficiency project coordinator for the Clean Energy Technology Center, said the General Assembly directly allocated about \$400,000 to energy centers at N.C. State, N.C. A&T State University, and Appalachian State University this fiscal year. Each university receives a \$133,000 split.

The center's annual budget typically is between \$1.5 million and \$2 million, Panzarella said. The balance of its funding comes mainly from state and federal grants, with some private funding.

As a member and former chairwoman of the House Appropriations Subcommittee on Agriculture and Natural and Economic Resources, state Rep. Pricey Harrison, D-Guilford, said she is "a strong supporter of continued, sustained funding for all of the UNC Energy Centers, especially at [N.C. State]."

She said the centers perform a broad scope of work covering a wide range of traditional fossil fuel and clean energy resources, including research, classes, and energy work force training and certification.

The renewable energy industry has been an important part of the state's economy, Harrison said, and the N.C. State center uses its state dollars to leverage federal grants.

N.C. State's Clean Energy Technology Center came under scrutiny earlier this year after it and solar



N.C. STATE PROFESSOR HERB ECKERLIN. Eckerlin is at the heart of a dispute over the university's Clean Energy Tech Center, which shut down solar energy town hall meetings he and a colleague had scheduled.

industry operatives complained about two university professors launching a series of public forums to discuss the pros and cons of commercial-scale solar installations springing up statewide.

The university directed researchers Ron Heiniger and Herb Eckerlin to cease the town halls and ordered Cooperative Extension county agents to no longer host their presentations. State Reps. Jimmy Dixon, R-Duplin, and Billy Richardson, D-Cumberland, raised concerns with N.C. State, wondering whether the university was trying to stifle views and information countering solar industry claims.

Shutting down the forums occurred amid the UNC Board of Governors' deliberations on the Center for Civil Rights.

The BOG's education committee voted to ban that center from filing or taking part in lawsuits against cities, counties, and the state. The BOG previously closed the poverty center, created for former Democratic U.S. Sen. John Edwards to boost his presidential ambitions. Members questioned whether those centers' work was

politically neutral and integral to the university mission.

Jim Robison, a former Chowan County Planning Board member, said the Clean Energy Technology Center is "joined at the hip with the North Carolina Sustainable Energy Association," a professional advocacy organization for renewable energy developers.

When the planning board was considering a wind ordinance in response to an application to build 600-foot turbines for the Timbermill wind project, Robison said, Stephen Kalland, Clean Energy Technology Center executive director, and another center official endorsed the project and dismissed residents' concerns. They handed out fliers about wind energy with contact information for wind developers.

Robison likened the Clean Energy Technology Center's political activity to the work of UNC's poverty and civil rights centers.

"The university's supposed to be neutral in these things," Robison said. A land grant university's mission "is to educate people, and that doesn't mean just giving one side of the argument."

Kalland says the center is a vehicle for economic and energy development rather than political advocacy. "The vast majority of questions the center answers and programs we administer are focused on supporting businesses across the state to identify and adopt clean energy technologies."

He said his organization "is not a lobbying organization in any way." He said the center supports renewable energy because of the potential for economic gain, increased energy security and diversity, and environmental benefit, all of which are consistent with the extension and engagement mission of the land grant university.

But Robison of the Martin Center raised red flags about the center's close relationship with solar developers. Most of its board members are involved in the renewable sector. Most of its staff members have worked in the renewable sector.

Kalland is on the board of directors of the North Carolina Sustainable Energy Association, which has five registered lobbyists. These lobbyists support policy on things such as tax credits for renewable energy projects and government mandates to buy renewable energy, while opposing regulations forcing solar developers to cover costs after a facility shuts down.

"I think it absolutely is a conflict of interest. I don't think it's illegal, but I do think it's unethical" for Kalland to hold dual executive

roles in a public university and a lobbying organization, Robinson said.

Kalland also is a member of the Research Triangle Cleantech Cluster, whose programs promote renewable energy.

Harrison said Kalland has always been a valuable resource, and she doesn't believe his roles conflict.

"I have served on dozens of boards of all kinds where academic members from public and private universities have provided important insight and other contributions," Harrison said.

"He absolutely does not get involved in any of our lobbying or advocacy activities," NCSEA spokeswoman Allison Eckley said of Kalland's board duties.

NCSEA bylaws established a permanent position for the Clean Energy Technology Center's executive director because both organizations do similar programmatic work and need open lines of communication with each other, Eckley said. She likened the center's clean energy activities to the Cooperative Extension's cycle of solutions.

Robinson believes the Clean Energy Technology Center's function is only "tangentially related to real university work."

Campuses have many such centers with private foundations funding them, and universities "are opaque" about who is providing the money, Robinson said. The General Assembly has yet to pass a law making those arrangements more transparent.

But even if the centers were completely funded by outside donors, that does not mean it is a good idea for universities to host them, Robinson said.

"They are getting N.C. State's official stamp, and that's lending the authority of the university to this private business that really shouldn't be getting the imprimatur of North Carolina State University," she said.

Robinson believes the university tradition of being objective and critically searching for the truth is diminishing in current higher education culture. The centers are a symptom of that decline.

"We see it all the time with the social justice stuff," she said.

Most people at the university probably see the Clean Energy Technology Center as a necessary advocacy tool for environmental justice, Robinson said, and promoting clean energy as an unquestionable duty.

CIP PHOTO BY DAN WAY

LABOR & ECONOMY

Company-sponsored apprenticeships help solve labor shortages

Buhler Aeroglide one local manufacturing firm getting high-schoolers training they need ... and degrees

BY KARI TRAVIS

DURHAM — A traditional four-year college degree isn't the only path to a successful career. Simon Mitchell would know.

Mitchell, who is 20, is an apprentice at Cary-based Buhler Aeroglide, a European manufacturing company. In 2014, Mitchell joined Mason Hurlbut and Luke Fouts to participate in Buhler's apprenticeship pilot program.

In 2013, Buhler realized it had fallen victim to the ever-widening "skills gap." Short on young, qualified workers, the company investigated apprenticeship programs, weighed the costs and benefits, and decided to jump in with both feet. In 2014, Buhler recruited its first class of students.

The company presented its findings to dozens of businesses during the North Carolina Chamber's Aug. 10 education conference.

The results of the apprenticeship program far exceeded expectations, said Krystal Anderson, Buhler's director of human resources.

"[I was surprised] by the leadership and the high level of work ethic and maturity that the apprentices brought to the table right out



EXCEEDING EXPECTATIONS. Company surprised by leadership and high level of work ethic and maturity in teens.

of the gate, Anderson told *Carolina Journal*. He said he was inspired by their enthusiasm.

The three boys, then 17, were recruited from high school engineering classes. They hadn't so much as tinkered with a welding torch. Today, they've sweated their way through nearly every department in the company — from factory, to engineering, to maintenance, to management.

Most high-schoolers think college is the golden ticket to a well-paying job, said Hurlbut, who is gunning for a management po-

sition. For him, the perks of an apprenticeship far outweigh the benefits of a traditional degree.

"I probably wouldn't have figured this out if I had gone to college like my friends," Hurlbut said. "I don't really know what I would have done if I hadn't done this. I thought about the military, but obviously that didn't pan out."

Under the Buhler program, the three trainees work at the plant four days a week. The fifth day is spent in classes at Wake Technical Community College.

Buhler pays the boys regular

wages and reimburses their tuition.

When Mitchell, Hurlbut, and Fouts finish the program in 2018, they'll pursue their bachelor's degrees via online courses from East Carolina University. Buhler will pay for most — if not all — of their continuing education.

Mitchell, whose mother formerly apprenticed in Austria, said his parents strongly favored his decision to forgo the traditional undergraduate education and jump straight into the work force.

It's not hard to sell parents on the program — mostly because

Buhler is offering a paying job and a free education, Anderson said.

Mitchell and Fouts, who considered attending N.C. State University for an engineering degree, are glad they switched plans.

While the apprentices watch friends take out student loans, switch majors, and seek jobs, they know their futures hold guaranteed job offers.

High schoolers should consider a similar program before diving in for a four-year degree, Mitchell said.

"You've got nothing to lose. You're paid ... and if you don't end up liking it, that's only one summer. You've got the money in your pocket — and valuable experiences and classes that were paid for. So it's a win-win."

Apprenticeships require a company to dedicate time and resources to train new workers, but the investment is well worth it, said Michael Taylor, Buhler's apprenticeship mentor and coordinator.

A handful of companies in North Carolina are beginning to adapt such programs, but more could benefit, Taylor said.

If a company lacks talent, it should look for ways to solve its own problem. Apprenticeships are a good place to start.

"We all know that we're having issues with skills gaps and trying to hire future leaders. And [a skeptical company] should just come in and see the initiative these young adults take. They're learning. They're held to the same standard as everyone else. Go check ... meet some apprentices somewhere. You'll know the difference."

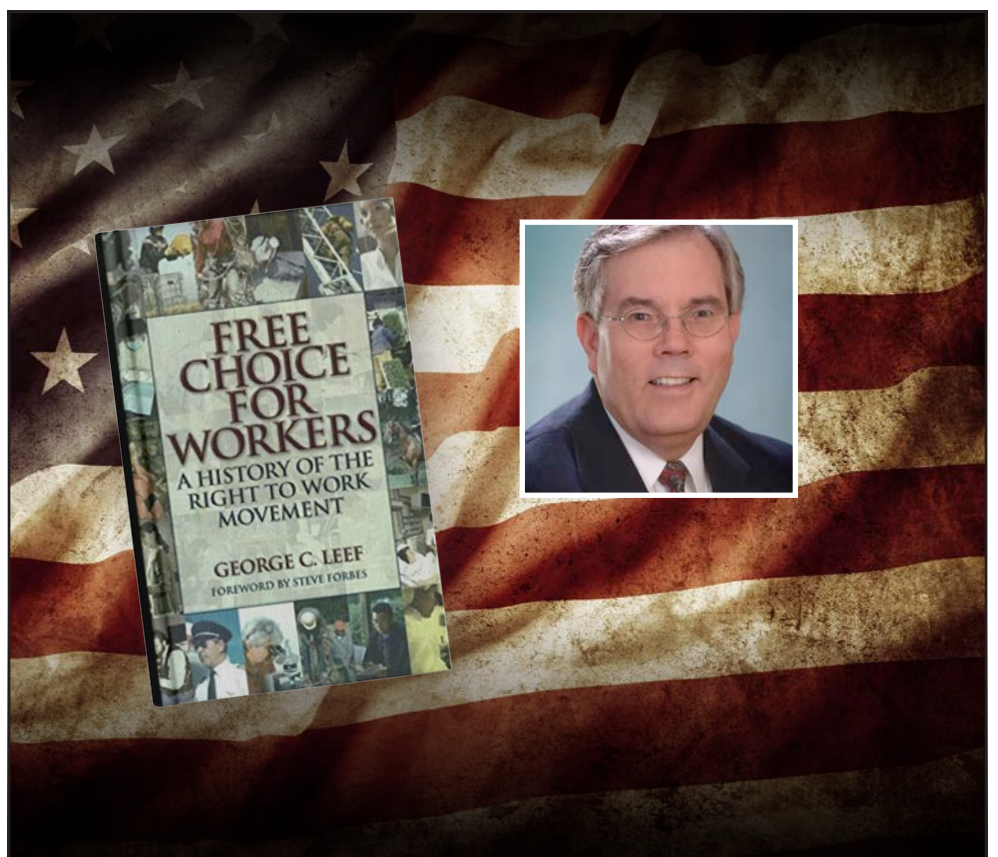
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BUSINESS

Could another strategic plan boost the TransPark?

New director is enthusiastic about the future.

BY DON CARRINGTON

A quarter century after its launch, the Global TransPark continues searching for a strategic plan that works.

The General Assembly in June ordered the N.C. Global TransPark Authority to develop another strategic plan for its underperforming industrial park and deliver the plan to a transportation oversight committee by January 15. The GTP — a 2,500-acre, state-owned industrial park in Kinston — officially launched in 1992. It has failed to meet the forecast it would create 47,756 direct jobs and 101,242 total jobs by 2010. The project has consumed between \$200 million and \$300 million in public funds since its inception.

The job estimates were part of a 1992 study commissioned by the N.C. Department of Transportation that was used to generate public support for the project. *Carolina Journal* has followed the GTP from the beginning and published several news stories and commentaries on the project.

GTP Executive Director Allen Thomas told *CJ* the facility has about 1,000 private-sector jobs and another 400 public-sector jobs. A businessman and former N.C. Department of Commerce industry recruiter, Thomas started the job in



ATTRACTING BUSINESS. Global TransPark Executive Director Allen Thomas hopes to attract more companies such as Spirit AeroSystems, whose building is pictured in the background.

June, resigning from his part-time job as mayor of Greenville. He's enthusiastic about the challenges ahead of him.

"My mission is to promote this asset working with the other resources of this region," he said.

State officials envisioned the TrnsnPark as an air cargo airport surrounded by just-in-time man-

ufacturing facilities, but the park has failed to attract any just-in-time manufacturers.

In March, GTP Interim Executive Director Richard Barks made a presentation to the General Assembly's Joint Appropriations Committee on Transportation that described the GTP strategic plan as follows: "To build a diverse tenant

base at the GTP that is capable of growing its business, creating jobs, and contributing to the State and global economy by operating the GTP (High Tech Aviation Industry focused Industrial Park) and the Kinston regional Jetport."

But the General Assembly apparently wanted a new strategic plan. Through the state budget,

passed in June, lawmakers ordered the GTP to develop another strategic plan and hire a marketing firm. This follows GTP strategic plans that were released in 2002 and 2010. The GTP now receives \$700,000 a year in direct taxpayer support from the state budget. The General Assembly included an additional \$400,000 a year for the next two years for the planning and marketing efforts.

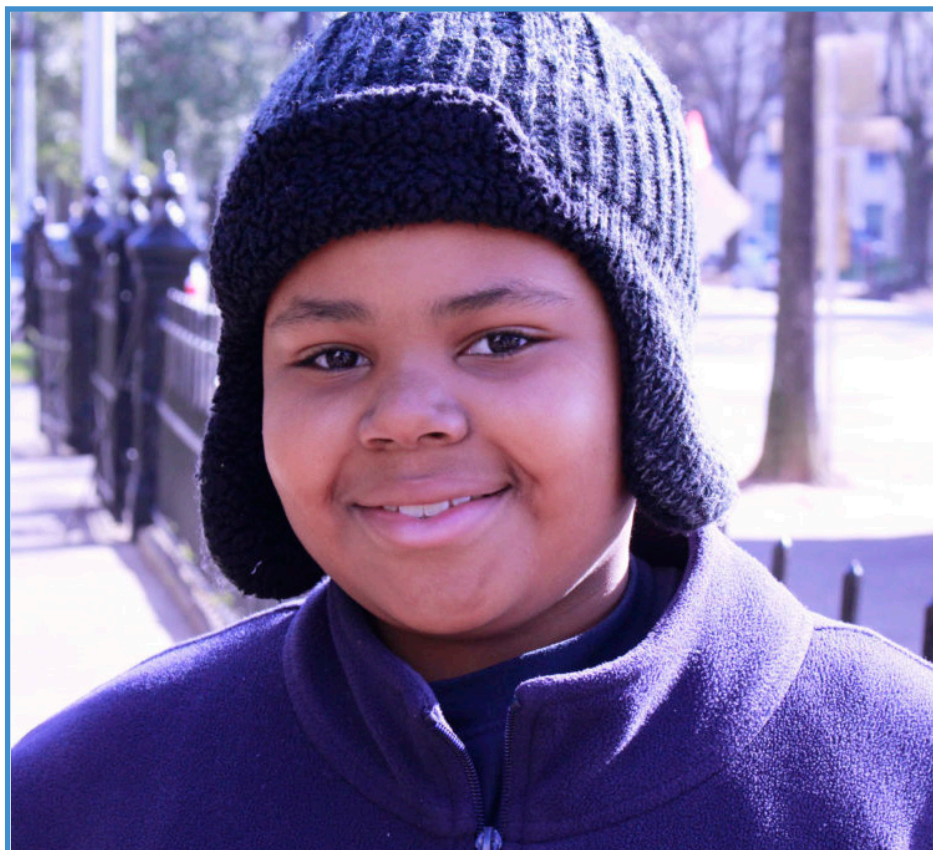
UNC-Chapel Hill business professor John Kasarda developed the concept for the facility in 1990 and persuaded Gov. Jim Martin that it would be a wonderful opportunity for the state to pursue. In 1991, the General Assembly embraced the project and established an independent North Carolina Air Cargo Airport Authority under NCDOT.

Reporting

In a 1994 *CJ* piece by John Hood and Michael Lowrey, the authors said, "Other than those affiliated with the project, we haven't been able to locate any experts or publications calling the TransPark a good bet for the state." They also noted that *CJ* contributing editor Mike Walden, an N.C. State University economist, "ridiculed studies purporting to forecast huge gains in jobs and growth from the project, and says that the state has no business risking public money on such a risky venture."

In 2002, *CJ* reported NCDOT

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BUSINESS

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officials significantly reduced a detailed version of a report to the General Assembly to exclude information that the Global TransPark “is perceived as a major financial liability” and that abandonment of the “less-than-satisfactory” project could spell disaster for state leaders.

“The amount of praise for finally stopping the financial hemorrhage the TransPark is perceived to have become will be greatly outweighed by the condemnation of the long-time opponents and naysayers in the press,” the long version of the report says.

In 2008, the GTP finally landed a major tenant when Spirit AeroSystems, a spinoff of Boeing

Commercial Airplanes, announced it selected the GTP to produce composite fuselage structures for a new aircraft model, the Airbus A350 that would be assembled in France. *CJ* stories noted that the project came at a high cost because state officials committed subsidies in excess of \$200 million to attract the company.

Then-NCDOT Secretary Gene Conti was excited about the Spirit project.

“The coming of Spirit to GTP is likely among the most important events in the business history of our state,” he wrote in a commentary for *The Charlotte Observer*. “Now, the GTP can leave the long struggle for respectability behind,” he said.

CJ reported in 2010 that the GTP

had no plan to repay \$25 million in unpaid principal plus accrued interest it borrowed from a fund controlled by the state treasurer. Realizing the repayment wasn’t practical, in 2013 the General Assembly appropriated funds to retire the debt.

In 2015, *CJ* reported that a six-mile-long railroad spur line connecting the Spirit plant to the main rail line — completed in 2012 at a cost to taxpayers of \$24 million — wasn’t being used by Spirit. State officials said the rail line was necessary to close the deal with Spirit, but Spirit found it more cost-effective to ship components by truck. It is now moving components by truck and by air on the massive Russian-built Antonov AN225. Thomas told *CJ* that Spirit is using

the rail spur on a limited trial basis.

Kasarda said Spirit is using the just-in-time system to deliver components.

“JIT refers to the system of delivery, not how long it takes to produce an individual component. They are utilizing the very expensive Antonovs to fly the large components to France to arrive just in time for their assembly needs,” he said.

In regard to choosing Kinston for the GTP, Kasarda said he wasn’t part of the site selection process.

“Kinston was deemed the best location at the time for the location of the GTP given economic, space, and political factors, the latter primarily desiring to do something to catalyze economic development in what was a seriously declining part

of our state. The ability to expand the Kinston Jetport along with the amount of developable land around it were also considered plusses for the site.”

Curiously, those who selected the site seemed to discount the importance of access to a major highway. “The GTP needs to have a quick and efficient highway linking it to I-40 or I-95,” he said.

“I certainly understand the disappointment of many at the limited GTP progress given initial pronouncements and expectations. However, the GTP may be one of the few tangible assets that eastern North Carolina has to move the region upward. I’m pleased to see that the state legislature has requested a fresh look at the GTP strategy,” he said.



FACILITY. This aerial photo from 2010 shows the nearly completed Spirit AeroSystems building in the center. In the lower right corner is Mountain Air Cargo's maintenance facility.

TransPark Timeline

1991

General Assembly established an independent North Carolina Air Cargo Airport Authority under NCDOT, and NCDOT commissions study.

1990

UNC professor John Kasarda developed concept for an “Air Cargo Industrial Complex” for North Carolina and persuaded Gov. Jim Martin it was viable.

1992

Transportation consultant releases “North Carolina Air Cargo System Plan and a study for Global Air Cargo Industrial Complex.”

1993

Gov. Jim Hunt becomes chairman of GTP Authority.

1994

Mountain Air Cargo announces it will establish a maintenance facility at the GTP.

1992

Airport Authority selects Kinston airport for site of Air Cargo Industrial Complex.

1994

Carolina Journal calls for a broader debate on the benefits and costs of the GTP.

1992

NCSU economist Mike Walden claims GTP is a “risky investment for the state.”

2002

Gov. Mike Easley becomes chairman of GTP Authority.

2009

Gov. Bev Perdue becomes chairman of GTP Authority.

2008

Spirit AeroSystems announces manufacturing plant for GTP.

2010

GTP Authority issues another strategic plan.

2017

General Assembly orders GTP to develop another strategic plan and hire marketing firm.

2013

General Assembly pays GTP’s \$25 million loan from Treasurer’s office.

2017

NCDOT Secretary James Trogon hires Allen Thomas as GTP executive director.

2008

GTP Authority officially opens newly lengthened 11,500-foot runway.

2017

GTP Authority hires five college students to develop a strategic plan for project.

2010

GTP Authority hires five college students to develop a strategic plan for project.

2017

Gov. James Martin claims GTP is an “investment in the future.”

2013

Gov. James Martin claims GTP is an “investment in the future.”

CRIME AND SAFETY



PALM STRIKES. Students learn palm strike techniques during a Krav Maga self-defense seminar in Charlotte.

CJ PHOTO BY KARI TRAVIS

The art of defense: Pair are on mission to protect themselves and others

BY KARI TRAVIS

CHARLOTTE — Travis Cook held his hands by his chest. Fists clenched. Arms together.

Cassie Wilson bound his wrists in layer after layer of duct tape.

About 30 students — women, men, and teenagers — looked on, faces sweating in the muggy air of Urban Revolution Martial Arts, a small taekwondo studio in south Charlotte.

"There are no rules in self-defense. I don't care what it takes. You have to do what you have to do to survive," Cook said.

The scene, set in the stifling July heat, was entertaining and unsettling. Punching bags, rolls of duct tape, piles of zip ties, and stacks of black canvas surrounded Cook and Wilson, whose name we changed because of privacy concerns.



If your hands are tied together, there's still plenty you can do to defend against your attacker. Use your arms like a hammer. Knee them in the groin. Head butt them. Whatever you do, don't freeze.

It's an ominous backdrop. Here, though, it's part of the lesson.

"If your hands are tied together, there's still plenty you can do to defend against your attacker. Use your arms like a hammer. Knee

them in the groin. Head butt them. Whatever you do, don't freeze," Cook said.

For more than an hour, the class learned hand-to-hand combat, punches, kicks, and headlock defenses. The students were tired, but they faced another 45 minutes of fighting against duct tape and zip-tie handcuffs, all the while trying to escape from the bags hanging over their heads.

The teaching method is intense, but Cook and Wilson have their reasons.

Founders of Armored Self Defense, the pair are on a mission to teach women, men, and children how to protect themselves. And how to escape. They teach the Krav Maga system, a military self-defense and fitness program devel-

continued NEXT PAGE



ON A MISSION. Travis Cook (pictured) and Cassie Wilson founded Armored Self Defense, a Krav Maga instruction company.

CJ PHOTO BY KARI TRAVIS

CRIME AND SAFETY

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oped by Israeli defense and security forces.

Based in Winston-Salem, Cook and Wilson are concerned about risks such as human trafficking — which is on the rise in North Carolina.

In 2016, 181 cases of human trafficking were reported in North Carolina, placing it among the top 10 for trafficking in the United States, the National Human Trafficking Hotline reports.

But victims don't self-report, so, say law enforcers, that number isn't even close to accurate.

Charlotte is the largest known hub for trafficking in the state, given its location near Interstate 77 and I-85 — corridors for trafficking — and its status as a center for sporting events and business conventions.

Human sex trafficking victims are beaten, raped, and subjugated into captivity until they believe they can't escape.

All the more reason to be prepared, said Wilson, who — though not trafficked — for five years was trapped in an abusive relationship.

'It can happen to anyone'

"In the outside world, no one knew it was happening," Wilson, sitting cross-legged on the cool gym mat, told *Carolina Journal*. Targets and kicking shields lined a wall behind her. A lone taekwondo student practiced roundhouse kicks against a bag in the corner.

It didn't make sense, she said. She'd had everything. A career. A house. Wonderful parents. Prestige as a nationally recognized public speaker.

Everything changed in 2009, when Wilson met her boyfriend during a scuba lesson. Everything seemed normal — until he began abusing her financially and emotionally. One night about two years into the relationship he choked her. Wilson lost consciousness.

"When I came to, I addressed it immediately, because I still had that much confidence left. And I said, 'If you ever do that again.' But he did it again."

She stayed. Subjugation is a tough concept for most people to understand, Wilson said. But for her, the captivity was real.

"He knew what my trigger was. My trigger was I didn't want to live by myself again. Once he got me to



KRAV MAGA PHILOSOPHY. Students are taught to face their attackers during a fight. Students here practice kicks during a warmup drill.

CI PHOTO BY KARI TRAVIS

that point of 'you need me,' I didn't need him, actually, but in my brain he'd convinced me that without him I was going to be all alone."

He persisted in the physical abuse until, in 2014, Wilson reached a breaking point.

"The last time I saw him I was against a wall, and his hands were

around my throat, and, literally, the life dropped out of his eyes. He said, 'I love the sound you make when I'm choking you.' And I thought, 'I'm dead.'"

Wilson got out, but her confidence was destroyed. She couldn't look people in the eyes, much less talk to strangers.

A few months later she walked into Cook's gym for a woman's self-defense seminar.

She threw some kicks and punches. Something awoke inside her.

"There were three women in particular that I wound up in a line drill with. And as I watched them kick and hit, I just said, 'Holy crap, if they can do that, I can do that,

too. OK, yeah!'"

"I had zero training. I mean we're talking about knowing how to do nothing."

She began taking classes in earnest.

Cook, a Krav Maga expert and fifth-degree black belt in taekwondo, learned of Wilson's past in 2015 and spent extra time training her to overcome post traumatic stress disorder.

"I'm a fighter. So, one of the first conversations [I ever had with Travis] was, 'The person in front of you is not the person I am, and I'm looking to find her again.' And that was my mission."

Two years later, Wilson still suffers some symptoms of PTSD — but she has found her voice.

Ignorance is no excuse

In April 2016, Cook and Wilson launched their company and began traveling the Southeast, teaching martial arts seminars and leading team-building exercises at companies and corporations.

The greatest challenge of the job is getting people to take responsibility for their safety and to take training seriously, Cook said.

It's especially important for North Carolinians to realize dan-

gers such as human trafficking ride close to home, he said.

"A lot of times people don't realize that stuff's going on, because they see it on the news and it's so far away. We bring it back to the state level, and even tell them, 'This is what it looks like on the city level — right here in Charlotte-Mecklenburg.' Honestly, the biggest response I get is, 'I didn't know what I didn't know.'"

Self-defense is intimidating for those who have never received training, Wilson said. The point is to empower and not to instill fear in people.

"Hey, this stuff does happen. Recognize it's going on so that you can avoid it for yourself and for your friends, too."

Personal responsibility is the first step toward safety

"Don't stop. Take control!"

Wilson circled the room, calling over the din of sparring. With just 15 minutes left, trainees were alternating defenses, some with bags over their heads, hands bound together. Others attacked them from behind.

The exercise finally ground to a halt, and Cook challenged students

to escape their handcuffs by breaking the plastic strips across their stomachs.

Successful breaks ended in scraped wrists, sore abs, and satisfaction. Failed attempts dissolved into good-natured laughter.

"The point is, even if your hands are tied, you can still disable your attacker and get away," Cook said.

No amount of training will prevent the trauma that comes with an attack, but that shouldn't stop anyone from preparing.

Training isn't about fear. Rather, it's about empowerment and escape, Wilson said.

In any case, people should take responsibility and do what they can to fight back against capture, assault, or any type of abuse.

Wilson learned the hard way. To this day, she doesn't talk about how she broke out of her abusive situation. She maintains focus on helping others avoid and escape similar destinies.

"I was a prisoner, but I didn't even know it. That's the [awful] thing. So, if you think action needs to be taken, or [a situation] was bad enough in that moment, don't start second guessing yourself on the flipside."

"I know that now, so it's not going to happen again."

NONPROFITS

Donor Privacy: Should a light shine on your contributions to nonprofits?

continued from PAGE 1

website up but canceled plans for expensive postcard and social media campaigns.

Shortly after, Matt Miller, an attorney from the Phoenix-based Goldwater Institute, called Gessing.

Santa Fe's law was unconstitutional, Miller said.

"I told [Gessing] that we could challenge this law in federal court and have a good probability of winning."

A lawsuit was filed.

The controversial history of nonprofit disclosure laws

RGF's problem is nothing new.

Under federal law, organizations classified as 501(c)(3) may participate in limited policy and issue advocacy, but aren't allowed to engage in campaigns for political candidates. On the other hand, 501(c)(4) entities may participate in lobbying and political campaigning — provided the majority of their work is focused on public policy and issue advocacy.

Although 501(c)(3) nonprofits are prohibited from endorsing or opposing any candidate running for elected office, for decades they've been subject to much scrutiny under federal and local campaign finance laws.

Arguments over nonprofits and donor privacy date back to 1956, when Alabama tried to force the National Association for the Advancement of Colored People to turn over its bank records and donor information.

Alabama repeatedly claimed the NAACP was breaking a state law requiring foreign corporations to qualify before doing business in the state.

The nonprofit, based in New York, believed it was exempt from the law. Turning over its donor information would be dangerous to supporters and would deter future contributions, NAACP leaders said.

A two-year legal battle ensued, until, in 1958, the U.S. Supreme Court ruled in favor of the NAACP, saying that Alabama's demand violated the 14th Amendment to the U.S. Constitution.

In 2010, Citizens United, a conservative 501(c)(4), challenged the Bipartisan Campaign Reform Act (a 2002 law also known as McCain-Feingold) preventing corporations or union-funded political ads from airing within 30 days of a primary or 60 days of a general election. The law also required "electioneering communications" to display the name and address of the person or group that funded the ad.



PAUL GESSING. Paul Gessing, president of the Santa Fe-based Rio Grande Foundation, never planned on filing a lawsuit against the city. But thanks to a local campaign finance ordinance, that's exactly what he did.



GOLDWATER INSTITUTE. Matt Miller, an attorney from the Phoenix-based Goldwater Institute, advised Gessing that the Santa Fe law was unconstitutional and could be challenged in court.

The organization was blocked from airing a documentary about Hillary Clinton shortly before the 2008 presidential primary. Though the film was critical of Clinton, it did not explicitly tell voters to vote against her.

The Supreme Court voted, 5-4, in favor of Citizens United, ruling that government shouldn't restrict speech for some corporations while exempting other corporations with media affiliations. The court did, however, maintain the BCRA's donor disclosure requirement.

In 2014, Delaware Strong Families, a 501(c)(3) religious nonprofit, planned to distribute a voter guide based on issues of interest. The practice is a common way for organizations to inform voters about where candidates stand on social and economic issues.

Under Delaware law, DSF was required to report the names, addresses, and contribution amounts of its donors because the voter guide qualified as an electioneering communication. Not only was the state interested in who paid for the voter guide, it also wanted to see the names of any donor who contributed more than \$100 to the nonprofit during the election period.

Broadening the 'media exemption' to include nonprofits

Both 501(c)(3)s and 501(c)(4)s are treated unfairly under campaign finance laws, a recent study on nonprofit privacy shows.

The primary jobs of public policy organizations are analyzing legislation and informing the public of

potential outcomes, said Jon Riches, director of national litigation and general counsel for the Goldwater Institute.

Such work is similar to that done by news outlets, but, unlike media organizations, 501(c)(3)s and 501(c)(4)s don't receive the exemptions under campaign finance laws.

That's a double standard, Riches told *CJ*.

Media organizations write opinions, endorse candidates, and accept money to print campaign ads. All of these activities could be classified as campaign and "electioneering communications." Yet, to protect First Amendment rights, newspapers and networks aren't held to account in the same way as nonprofits.

For example, the Gannett-owned *Delaware News Journal* exercises tremendous influence over public policy and political races. In the 2016 election, the paper endorsed candidates for governor, Congress, New Castle County executive, and Wilmington mayor.

But unlike DSF, which was scrutinized for its "electioneering communication," the *Journal* was exempt from Delaware's campaign finance laws.

Media exemptions protect First Amendment rights, but the criteria for those privileges are outdated, Riches said. Many modern news sources are owned by privately funded nonprofits.

Additionally, the public turns to think tanks and public policy nonprofits to gather information, just as they would turn to a news network.

A paradox results.

"A small nonprofit organization is subject to often onerous regulations whenever it speaks about policymakers or supports candidates and issues in the runup to an election — while giant companies like Comcast, CNN, or Fox [News] can make movies, publish reports, and write editorials supporting or opposing those very same issues and candidates without facing any such restrictions whatsoever," Riches writes in *An Informed Citizenry: Broadening the "Media Exemption" to Include Nonprofit Communications*.

No principled reason exists to treat public policy nonprofits differently from news organizations, especially since the purpose of the press exemption is preserving the collection and dissemination of information, he said.

That value doesn't depend on the identity or corporate structure of the outlet.

"Some have argued that the institutional press should receive special constitutional protection not afforded to other corporations or associations because the institutional press is somehow unique," Riches said. "These arguments are dangerously elitist."

Campaign finance laws enforce transparency and sometimes do, indeed, apply to news networks, countered Bob Phillips, executive director of Common Cause North Carolina.

Filing as a 501(c)(3) or 501(c)(4) doesn't qualify an organization for a press exemption, Phillips said. Donor disclosures and other privacy regulations are determined by a nonprofit's activities. For example, if a 501(c)(4) campaigns on behalf of a candidate, it should disclose its donors.

Such laws exist to protect the public from corruption, Phillips said.



Under federal law, organizations classified as 501(c)3 may participate in limited policy and issue advocacy, but aren't allowed to engage in campaigns for political candidates.

"The U.S. Supreme Court and lower courts throughout the nation have made clear that disclosure laws are a minimal burden on First Amendment activity and that they serve the very important public interest in maintaining a well-informed electorate," he told *CJ*.

Courts should continue to apply

a balancing test to constitutional challenges, as in the *Citizens United* case, Phillips added.

But any law not "strictly tailored to campaign finance needs" is concerning, said Susanna Birdsong, a spokeswoman for the North Carolina NAACP.

"As ever we will oppose and challenge campaign finance reform laws that we believe are unconstitutionally overbroad," Birdsong said.

What this means for the Rio Grande Foundation

There's a good chance RGF will win the lawsuit against Santa Fe, Miller said. On Aug. 24, the city filed an answer to the case, denying the foundation's conclusion that donor disclosure requirements burden a person's rights to free speech.

"The Rio Grande Foundation has alleged no facts that indicate

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NONPROFITS

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that disclosure of its contributors' names will subject them to threats, harassment, or reprisals from either government officials or private parties," wrote Santa Fe attorney Kelly Brennan.

The lawsuit is on hold for several months while lawyers on both sides build their cases. No major developments are likely before the beginning of 2018, Miller said.

For now, Gessing and his staff are stuck waiting.

"The idea of donor privacy is being totally undermined here," Gessing told *CJ*.

If foundation contributors sense a threat to their privacy, they will be far less likely to support RGF — or any other nonprofit. That's a threat to free speech.

It's one thing to have campaign- or candidate- oriented finance laws. It's another to have ballot measure regulations, Gessing said.

"You can always argue that there's a quid pro quo with the candidate, whereas the ballot measure, pass or no pass, isn't going to give us anything on the backside of the issue. We are purely involved in the ballot measure ... because of principle."

Perception is half the battle for conservative think tanks such as RGF, which are often branded as mouthpieces for the Koch Brothers.

This can sometimes evoke hostility from left-leaning politicians.

Santa Fe Mayor Javier Gonzales, a Democrat, doesn't necessarily have a vendetta against RGF, but the organization's libertarian label hasn't helped the situation, Gessing said.

"I think [city officials] were probably more gleeful in their enforcement than they would have been otherwise."

The Constitution is clear on the issue, Miller said. Governments can't silence nonprofits by threatening the privacy of their donors.

It is up to individuals to decide whether an organization is honest, he said.

"Groups may choose to make themselves very transparent to gain legitimacy. And it's totally legitimate for listeners and voters to prefer messages from people who are totally transparent."

And, apparently, Santa Fe residents listened to RGF's video and website. In May, the proposed soda tax fell flat among voters.

Gessing only hopes his organization can continue to work as it should.

"We've been active and involved and taken positions on soda taxes before. It's not like we just rolled out of bed one day and saw this tax and got ... a big check from the soda industry and said, 'OK, now we've got to do this.'"

"This is the core of what we do."



NAACP LEGAL DEFENSE TEAM. The NAACP argued in 1958 that turning over its donor information would be dangerous to supporters and would deter future contributions.



U.S. SUPREME COURT. The Supreme Court voted, 5-4, in favor of *Citizens United*, ruling that government shouldn't restrict speech for some corporations while exempting other corporations with media affiliations.



VOTER GUIDE. Under state law, Delaware Strong Families' voter guide qualified as an electioneering communication.

Campaign finance laws in North Carolina

Under North Carolina campaign finance laws, nonprofits focused on issue advocacy are subject to donor disclosure requirements only if they participate in "electioneering communications."

Electioneering communications are classified by the N.C. State Bipartisan Board of Elections and Ethics Enforcement as a broadcast, cable, satellite communication, mass mailing, or phone bank that has the following characteristics:

1. *It refers to a clearly identified candidate for elected office. It doesn't expressly advocate for the election or defeat of the candidate.*
2. *It is aired or transmitted with-*

in 60 days of the time set for absentee voting, or after Sept. 7 during a general election in an even-numbered year.

The state board also considers audience size based upon the type of election and method of communication.

News stories, commentary, and editorials are exempt, unless they are published by an entity owned or controlled by a political party, committee, or candidate. Policy papers and legislative recommendations urging citizens to contact members of the General Assembly are also excluded.

For more details on campaign finance regulations, visit ncsbe.gov.



U.S. senators take aim at JLF

continued from PAGE 1

Senators returned fire July 22. "As Senators, we stand on our record and are held to account for our positions every six years. Contributions to our campaigns are disclosed and available for the public to see. Unfortunately, your organizations are not similarly accountable or transparent."

"You say in your letter that free speech and debate are more important now than ever. We could not agree more. We would just like to know whom it is we are debating."

In the letter, senators said organizations such as JLF advocate for "terminating health insurance for millions, ending restrictions on limitless emissions on toxic pollution in air and water, and gutting programs that make up our social safety net."

It wasn't the first time sena-

tors tried to force JLF to reveal its donors.

In 2015, Sen. Sheldon Whitehouse, D-Rhode Island, along with several other Democrats, sent JLF and 106 other organizations a letter demanding they surrender 10 years of records.

JLF refused. President and CEO Kory Swanson questioned who was orchestrating the campaign against conservative nonprofits.

"We, too, would like to know whom we are debating, and who is leading this crusade against liberty," Swanson said.

"Once again, members of the U.S. Senate have rejected rational debate and have resorted to bullying and intimidation in their attempt to stifle the message of freedom and limited, constitutional government that has resonated with millions of North Carolinians," Swanson added.

The senators' crusade fizzled out, and no further actions were taken.

LOCAL GOVERNMENT

WAKE COUNTY REGISTER OF DEEDS

We must ensure local governments are vigilant when handling our money



JULIE TISDALE

CITY AND COUNTY POLICY ANALYST
JOHN LOCKE FOUNDATION

This would be a great story, if it weren't real.

Over the past few months, news out of the Wake County Register of Deeds office is almost unbelievable. It seems that, over the past two to three years, at least \$895,000 in cash has gone missing. Most of it appears to have disappeared between the time it was handed over to the Register of Deeds at the end of the day for counting, which she did alone, and the time it was returned to staff for deposit. The investigation is ongoing, the State Bureau of Investigation is involved, and criminal charges may result.

Figuring out who did what and for how long is a job for someone else, and I don't want to speculate. But someone, or some group of people, was pocketing cash. That much seems clear. This went on for a long time. We're not talking about someone raiding petty cash on occasion to buy lunch. Rather, we're talking about nearly \$2.3 million dollars missing over sever-



INVESTIGATING FRAUD. The fraud wasn't detected through a normal audit procedure or normal end-of-day checks but by employees who took it upon themselves to start counting cash.

al years.

If the media reports are to be believed, all of this was only discovered when people who worked in the office got suspicious and started secretly counting the money themselves before handing it off for the official count. Think about that for a minute. The fraud wasn't detected through a normal audit procedure or normal end-of-day checks. On the contrary, it was discovered only when employees stepped outside normal procedure and took it upon themselves to

start counting cash.

Being such an outrageous story, over the past few weeks it has come up in conversation.

"Did you hear about the Register of Deeds?" And outside Wake County, no one has. So I tell them, and the question is always the same.

"How could that possibly have happened?"

It's a fair question. Every retailer in the country counts the cash in their drawers each night and compares the amount they should

have, based on their sales records, with what's actually there. Every branch of every bank does the same. If you work at McDonald's and want to steal money, you can't get away with just taking wads of cash. You'll get caught. The money in the drawer won't match the number of hamburgers paid for in cash.

And yet somehow the Wake County Register of Deeds seems to have been lacking even the most basic procedures for guarding against this sort of theft and fraud. After all this was uncovered, a new Register of Deeds was appointed, and he's making sure cash is counted multiple times each day, that it's never counted by one person alone, and that discrepancies are recorded. That's all great, but why was that not happening before?

I fear that the situation in Wake County may not be unique. I've looked for some sort of assurance good procedures are in place across the state and that the Wake Register of Deeds was therefore an anomaly, but I can't find any evidence of that. It seems like a lot of our county offices may be vulnerable to this sort of thing.

The solution seems to me to be fairly simple. Follow the same basic procedures for handling cash that every single private business does. Check the individual drawers at the end of each day and com-

pare them to the cash transactions that were recorded. Keep clear records of cash, credit, and debit receipts. Never let anyone handle money alone. This stuff isn't complicated.

And then, on top of that, counties probably should be regularly conducting random, unannounced audits, just to make sure those procedures are being followed.

In 2011, Laura Riddick — who was Register of Deeds during the period under investigation — withdrew in protest from the N.C. Association of Registers of Deeds. She did so saying that the association had "abandoned fiscal stewardship" and "flouted public accountability for how it spends government funds." In her open letter outlining why she was leaving the association, she said, "the association's leaders, naturally enjoying their power and their perks, have succumbed to the common human temptation to take whatever they can in the absence of strict laws or significant public scrutiny."

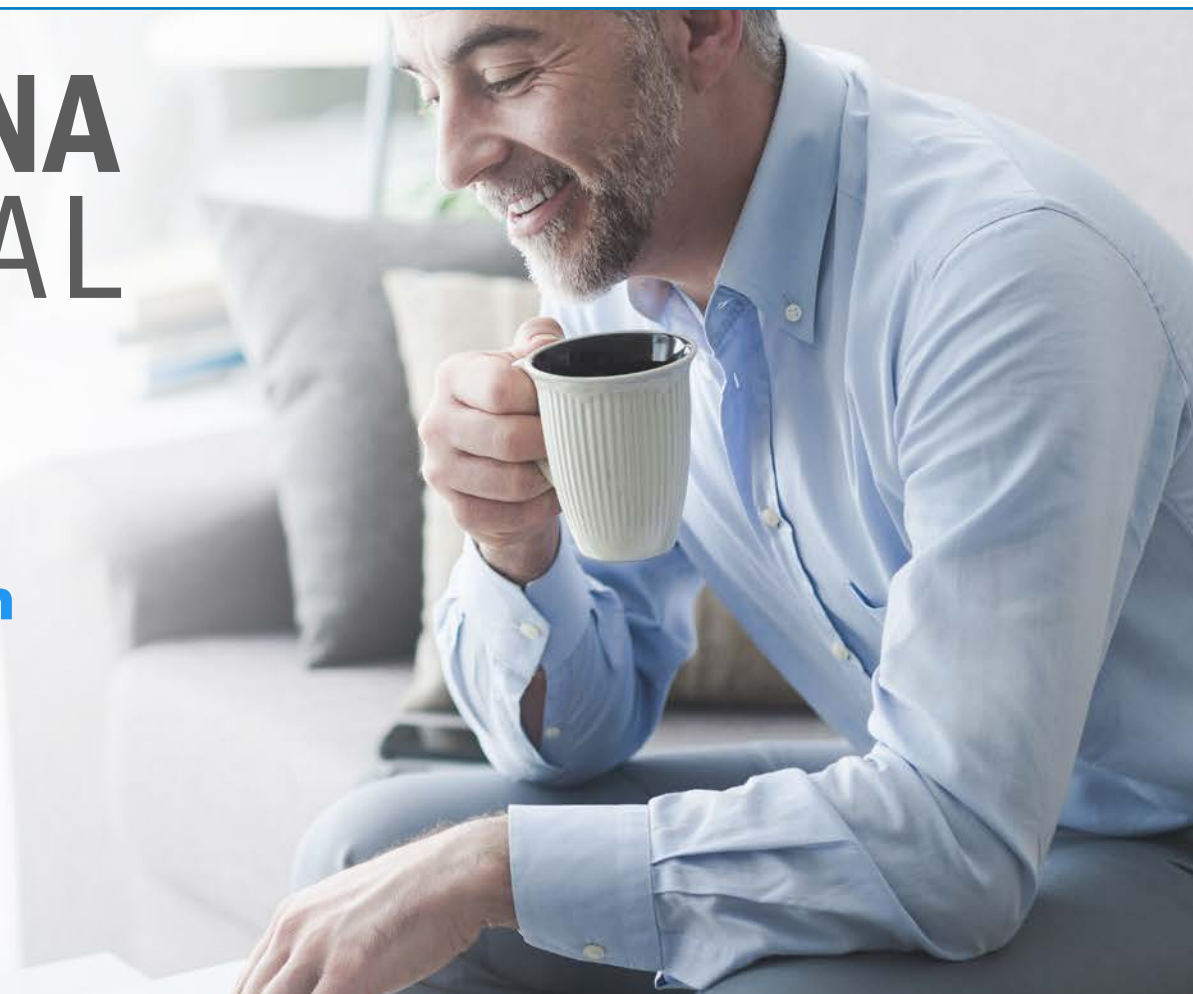
She was right about that "common human temptation" and about the absence of public scrutiny that allows it. That's why North Carolina's cities and counties need to be more vigilant. All of this is taxpayers' money, and counties have a responsibility to their taxpayers to make sure it's being handled in appropriate ways.



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STATE GOVERNMENT

A knowledge gap surrounding a hot redistricting term



MITCH KOKAI
SENIOR POLITICAL ANALYST
JOHN LOCKE FOUNDATION

The term “efficiency gap” generates a buzz among those who want the federal courts to scrap partisan electoral gerrymandering.

But an exchange during a July meeting of state House and Senate redistricting committees suggests some confusion about the gap. That confusion extends to its usefulness in helping lawmakers draw new electoral maps.

The term cropped up as Sen. Ben Clark, D-Hoke, queried House redistricting leader Rep. David Lewis, R-Harnett. Clark sought details about technology that will be available to voters during planned public hearings on new legislative election maps.

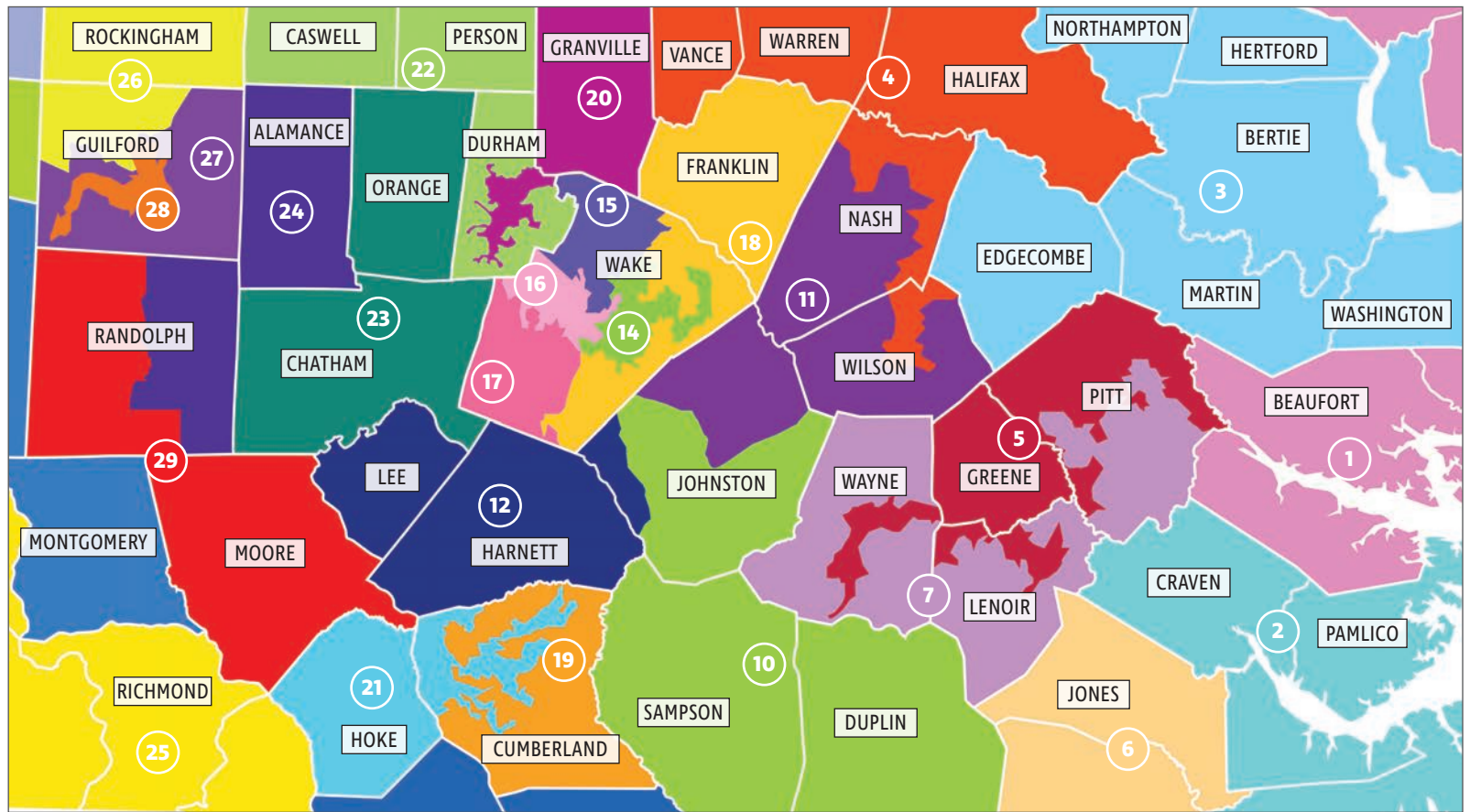
“Will it be able to do things such as perform efficiency-gap calculations ... for individuals to actually determine the extent of partisan ... gerrymandering within the maps, or lack thereof?” Clark asked.

“I don’t know, sir,” Lewis responded. “I know that the data that is produced allows individual members to analyze it in the way that they see fit.”

It’s not clear whether either legislator realized that it would be impossible to conduct an efficiency-gap analysis for election maps that have not been used for an actual election. A brief review of the efficiency gap explains why.

Syracuse University law professor Tara Helfman offers a brief description. For the two major political parties, “a ‘wasted vote’ is a vote cast for a losing candidate or a winning candidate in excess of a bare majority.” The efficiency gap “divides the difference between the respective parties’ wasted votes by the total number of votes cast.”

Put another way, a political party that secures huge victory margins in the elections it wins but loses a majority of its elections sees less efficiency. A party with smaller district-by-district victory margins but more overall wins sees greater efficiency. The



gap between the two parties represents the efficiency gap.

Calculating that gap might sound like a good problem to throw at public school math students. But efficiency gaps could end up having a much larger impact. Those gaps could help influence the future of American elections.

As Helfman notes, plaintiffs in a Wisconsin redistricting lawsuit consider the efficiency gap “the holy grail of political law.” Advocates consider it “a ‘judicially discernible and manageable standard’ against which to assess the constitutionality of a redistricting plan.”

In other words, the objective, measured efficiency gap could give judges cover to strike down election maps as overly partisan. A federal court in Wisconsin already has accepted the idea. The U.S. Supreme Court is scheduled to address the issue this fall.

Meanwhile, the League of Women Voters is challenging North Carolina’s 2016 congressional election maps using the same efficiency-gap argument. If the nation’s highest court agrees that an overly large gap signals an un-



To enshrine the efficiency gap into constitutional law would step beyond the courts’ proper role.

constitutional partisan gerrymander, it’s likely that mapmakers on Jones Street will head back to the drawing board.

There are good reasons to hope that justices will reject the efficiency-gap standard. “The Constitution enumerates many rights, but the right to an equal number of wasted votes is not among them,” Helfman notes.

To enshrine the efficiency gap into constitutional law would step beyond the courts’ proper role. “Short of judicial preference, it is not clear why the ‘efficiency gap’ is more principled, rational,

and reasoned than other possible approaches to political apportionment,” Helfman explains.

Problems extend beyond the efficiency gap’s application as a legal standard. Its basic premise is flawed at best.

Efficiency-gap analysis accepts as fact the notion that the two major political parties exercise complete control over competing blocs of votes. Any votes that do not meet the goal of maximizing one party’s electoral advantage are “wasted.”

That’s not how elections work.

In actual elections, voters control their votes. While they might tend to vote for one major party or the other, their approach toward any particular election varies based on multiple interacting factors. What major national and statewide issues are driving voters to the polls? Who are the candidates running in a particular race? Is it an open seat? What other issues are on the ballot? Is it cold or rainy on Election Day?

The efficiency gap takes no account of these human factors. Its mathematical formula cannot account for a candidate who successfully attracts bipartisan

support. The number crunching says nothing about an incumbent who’s so popular that credible challengers step aside. There’s nothing in the calculation to adjust for major national political swings toward or against a political party.

And, back to our original topic, the efficiency gap tells us nothing useful about election maps that never have been used. New election districts will attract new candidates. Until voters cast actual votes in those new districts, it’s impossible to calculate the gap.

Electoral mapmakers can — and do — use historical election data to guide their decisions. They can estimate fairly well which political party is likely to win a race in a particular district.

But they can’t guarantee the future. They can’t pinpoint how factors such as the interplay of state and national political issues, likely incumbents, and prospective challengers will affect each district’s victory margin.

In efficiency-gap terms, they can’t say how the voters of tomorrow will cast their “wasted votes.” To attempt to do so would amount to a waste of time.

EDUCATION

Should American degree programs borrow from their European counterparts?



SHANNON WATKINS
COLUMNIST

A well-designed general education program can provide a breadth of important knowledge, as well as writing and analytical skills that employers often say are lacking in recent college graduates. Still, many students consider general education a waste of time and view courses unrelated to their majors as unnecessary obstacles.

Should higher education cater more to those students, who are interested in jumping as soon as possible into their major coursework, and who might prefer a quicker path to the job market? If the answer is “yes,” college leaders might look to Europe for inspiration.

Most European students begin taking courses specific to their major right away. Universities focus on making students experts in their respective fields, and little to no time is spent on coursework perceived to be unrelated to degrees.

Since students study a range of subjects in high school, the thinking goes, general education in college is redundant. As a result, in Europe it takes only three years to earn a bachelor's degree.

This kind of system, or something similar to it, would prob-



FINISHING FASTER. University of Gothenburg in Sweden is one that allows students to receive degrees by demonstrating proficiency in their fields of study rather than by courses completed.

ably appeal to many American students. And if aspects of the European model were incorporated in the U.S., community colleges in particular might be in the best position to implement them. Those schools already are geared to students who want to earn degrees and certificates in short time.

Policymakers and community colleges could work to build programs along those lines, following the lead of the European universities. These programs might take between two and three years to complete. Graduates would be ex-

pected to possess an understanding of their fields close to or equal to that of graduates of four-year institutions.

Eliminating general education courses entirely would be undesirable, though, given employers' preference for employees with the skills and knowledge imparted by them. This new degree — what might be called a “specialist's degree” — would require courses in math, literature, U.S. history, economics, writing, and science.

Jamie Shea, an academic adviser at Wake Technical Community

College in Raleigh, says such a degree has “potential.” In a Martin Center interview, she said, “I think it would be nice to have the option.” She added, however, that it would be hard to predict whether employers would respond favorably, and she wondered whether this opportunity for specialization would devalue the *traditional* liberal arts education.

To be sure, this proposal is radical. Policymakers would need to debate and study it over the course of months and years. And its implementation would be a complex undertaking, to say the least, considering the issues of accreditation and funding that likely would arise.

But to Shea's point about possible employer skepticism toward the specialist's degree, it's worth pointing to the very real skepticism employers have toward traditional college degrees. Time and again, surveys reveal that hiring managers are underwhelmed by today's college graduates — an unsurprising finding given that learning assessments regularly show that large numbers of graduates are ill-prepared for white-collar work.

This is not to say that colleges wouldn't need to show that these new programs are rigorous and capable of producing talented graduates. In North Carolina and elsewhere, community colleges have a history of partnering with industry to produce job-ready graduates; schools could exploit those relationships and forge new ones. They could require students

to take the Collegiate Learning Assessment to show how they stack up to those at four-year colleges. These are just a couple of possibilities.

Regarding the concern that specialist's degrees could undermine liberal arts education, this instead could be a case in which competition sparks positive change. If the specialist's degree were to take off, four-year schools would need to show more clearly their added value, or else prospective students might choose the lower-cost community college option.

And four-year colleges' enrollment numbers may dip, but in the long run this might be a good thing. Students interested in the world of ideas, liberal education, and advanced learning would still attend traditional programs; over time they might even become the majority on university campuses, improving upon the current academic environment, which often seems too ready to accommodate the lowest common denominator.

At any rate, importing Europe's degree model would not be a panacea for American higher education. But for those who recognize the perhaps unfortunate truth that many students simply can't be bothered with courses outside of their majors, doing so could make the best of the situation. Along the way, it could lower costs and inject healthy competition into the system.

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

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EDUCATION

The great rise of the N.C. homeschoolers



KRISTEN BLAIR
COLUMNIST

Call it the great rise of the N.C. homeschoolers. Explosive homeschooling growth over the past decade has turned North Carolina into a national trendsetter. Homeschooling's ascent to prominence has coincided with its rebranding. Once dismissed as a movement on the margins, homeschooling has become a mainstream option. Record numbers of families are signing on, despite the myriad lifestyle adjustments homeschooling requires. No one can ignore homeschooling's size, stature, or staying power.

A catchphrase to capture contemporary trends? Go big and go home.

North Carolina continues to defy convention, doubling down on an unlikely nonpublic trend: Homeschoolers began outnumbering private school students in 2013-14, and the gap is widening. New N.C. Division of Non-Public Education estimates show 127,847

students were homeschooled in 2016-17, exceeding private school enrollments by 27,000-plus students.

Homeschool enrollments mark an 8 percent annual uptick and the fifth consecutive year of growth. Long-term trends reveal startling popularity: Homeschool enrollments have shot up 60 percent since 2012 and 86 percent since 2007.

Such trends position North Carolina as a national trailblazer. The National Home Education Research Institute estimates 2.3 million U.S. homeschoolers; federal data point to 1.8 million homeschoolers nationwide. Either way, North Carolina boasts an outsize share of the nation's homeschoolers, ranging from nearly 6 percent to 7 percent of the U.S. total.

Recent growth is strongest at opposite ends of the age spectrum. Six-year-old enrollments increased 13 percent in 2016-17; 15- and 16-year-old enrollments rose more than 9 percent. Over the past decade, North Carolina's early elementary pipeline has been reconfigured in dramatic ways — 6-year-old homeschool enrollments have skyrocketed 336 percent.

What's driving overall growth? In short, dissatisfaction with other schools. Merit Kirkpatrick, a



DEFYING CONVENTION. Homeschool enrollments mark an 8 percent annual uptick, and the fifth consecutive year of growth.

longtime homeschool parent and advocate, runs Piedmont Homeschoolers, an online forum with 2,000-plus members from Burlington, High Point, Greensboro, and Winston-Salem — areas where homeschooling is growing rapidly. In preparation for our conversation, Kirkpatrick went to the message boards, hearing from 40 parents about why they homeschool. Concerns about bullying and safety topped the list. Helping children with "special needs that were not being met by the system," was second, Kirkpatrick says.

What else? Homeschooling is easier to do. Parents are no longer required to teach core classes; a 2013 change to state law allows them to serve as content curators who set the "scope and sequence" of instruction. Homeschool help abounds. There are "so many more resources — online classes, curriculum, groups that you can do co-op classes with ... apps that aid in learning," says Sandy Williams, a Greenville homeschooling mother of four.

Williams began homeschooling nearly two decades ago and can

attest to shifts over time. Three children have left for college. I interviewed Williams' second son, Matt, a UNC-Chapel Hill junior, two years ago, but was eager to hear directly from his mother now about her motivations for homeschooling. She chose it, she says, to focus on faith and a rigorous education. Homeschooling afforded opportunities to hone gifts. "It gives the kids more time to focus on the things they're passionate about."

Williams' oldest son, Jared, just began medical school after graduating from UNC-Chapel Hill in May. As a homeschooled high-schooler, he spent a year shadowing a physician assistant who cared for migrant workers. Williams' third child, Emily, is a viola aficionado. She's attending UNC-Chapel Hill this fall on a music scholarship.

And so, another academic year begins. Most kids are still boarding school buses and toting backpacks. But at kitchen tables, co-ops, virtual classrooms, and community college campuses, take note. Here come the homeschoolers. They're focused, they're numerous — and they're here to stay.

Kristen Blair is a Chapel Hill-based education writer.

Due Process: Restoring a fundamental right on campus



JENNA A. ROBINSON
COLUMNIST

FOUR YEARS AGO, brothers at the Sigma Alpha Epsilon fraternity at UNC-Wilmington brought campus due process — or lack thereof — into the sunlight.

The young men had been accused of hazing and underage drinking. Although the students were eventually cleared of any wrongdoing, they endured an unfair and onerous investigation and adjudication process to prove their innocence.

They brought their experience with UNCW's disciplinary process to the attention of the N.C. General Assembly. As a result, North Carolina became the first state in the nation to protect due process for students and student organizations when then-Gov. Pat



The SAE Act guarantees students and student organizations at public universities the right to counsel when they are accused of violating their institutions' disciplinary or conduct rules.

McCrory signed the Students and Administration Equality Act.

The SAE Act guarantees students and student organizations at public universities the right to counsel when they are accused of violating their institutions' disciplinary or conduct rules. It also mandates that institutions report the number and types of disciplinary proceedings they initiate.

During the first six months after the act was passed, 119 students across the UNC system chose to have legal representation at disciplinary hearings. Such choice was generally impossible before the passage of the act.

Now, other states are beginning to follow North Carolina's lead. This is a welcome development, especially because of U.S. Department of Education overreach. In April 2011, the department's Office for Civil Rights issued a now-infamous "Dear Colleague letter" instructing colleges and universities to use the lowest possible standard of proof in sexual assault cases.

This "preponderance of evidence" standard means that accusers need only prove that a particular fact or event was slightly more likely than not to have occurred. This is far different than proving something "beyond a reasonable doubt," which is standard in criminal cases.

Secretary of Education Betsy DeVos signaled in July that she plans to revisit OCR's sexual as-

sault regulations. But until then, the "Dear Colleague letter" guides campus action. In addition to changing evidentiary standards, the letter discourages cross-examination of accusers, strongly suggests that institutions accelerate adjudications to take place within a 60-day limit, and allows accusers to appeal not-guilty findings. The possibility of appeal for accusers subjects defenders to a kind of "double jeopardy" not allowed in criminal cases.

It is in this environment that other states have moved to follow North Carolina by passing their own due process protections. Arkansas and North Dakota have passed legislation similar to the SAE Act, and legislators in Massachusetts and Virginia have proposed similar policies.

In Utah, proposed changes go further. There, Republican Rep. Kim Coleman and Sen. Todd Weiler have sponsored legislation that would give students the right to active counsel as well as add requirements to the adjudication process. The bill would require

parties to make good-faith efforts to exchange evidence and would allow students and their advocates to make opening and closing statements and to present and question witnesses.

Interestingly, North Carolina legislators have plans to bolster protections offered by the SAE Act. House Bill 777, which stalled in committee this year, included provisions that mirror Utah's legislation. And in a clear departure from federal policy, it states that in cases of sexual misconduct, the "standard of proof ... shall not be less than clear and convincing evidence."

These examples from North Carolina and other states show that momentum is building to restore due process on campus. State action can ensure that students are free from unfair campus courts and strengthen the rule of law promised to all Americans in the U.S. Bill of Rights.

Jenna A. Robinson is president of the James G. Martin Center for Academic Renewal.

EDUCATION

Johnson: Lawsuit needed to bring accountability to school governance

INTERVIEW



Mark Johnson
State Superintendent of
Public Instruction

State Superintendent of Public Instruction **MARK JOHNSON'S** first few months in office have been anything but boring.

Johnson, a Republican and former member of the Winston-Salem/Forsyth County school board, in November ousted incumbent Democratic Superintendent June Atkinson.

In December, the General Assembly passed a law that stripped some responsibilities from the N.C. State Board of Education, giving them to Johnson. The state board immediately sued, putting the new superintendent in the center of controversy before he moved into his office at the Department of Public Instruction.

The new law was unconstitutional, board Chairman Bill Cobey told *Carolina Journal* in January.

In April, Johnson filed an affidavit in the lawsuit. He said the board was severely limiting his authority. The board ignored and denied multiple requests to make staffing changes, he said.

A three-judge Superior Court panel ruled in July for Johnson. The state board appealed the decision earlier this month.

On Aug. 8, Johnson sat down with *CJ* Associate Editor Kari Travis to discuss the lawsuit, his role at DPI, his relationship with the General Assembly, and more.

The second part of this interview, covering the importance of work force development, technology, and school choice, will appear online at a later date.

CJ: Let's talk about the lawsuit with the State Board of Education. Last month, the court ruled in your favor. The board is appealing that decision. How does that tension affect your ability to work with the board?

JOHNSON: It was my hope that the state board would not appeal this ruling. It was pretty clear-cut. It was handled by a panel of bipartisan judges. They [unanimously ruled] summary judgment that the General Assembly and I are on the up-and-up in allowing one single point of accountability to manage this department.

The system that has been created by the state board over at least the past decade has completely emphasized nonaccountability. People send their kid to school, and they want to know who is making the decisions. When they have a concern with that, or a concern with a certain form of testing, do [they] call the school board of their local district? Do they call their local superintendent? Do they call their General Assembly member? Do they call the state superintendent, or do they call the State Board of Education?

When you get to the state level, we've had a situation here for far too long where [the board has been] head of the agency. It's a board of 13 people working to make decisions that should [be quick and] responsive to the field. They're not. When you have 13 people that have to meet and have to vote on making decisions, it slows things down. It becomes just a bureaucratic process.

This department should be able to respond to the field quickly and efficiently, and the better way to do that is to have a single point of accountability.

If managed properly, [the department] can help find innovation going on in those local districts, and [it can scale] them across other districts. [We should be a] center point for all that knowledge, and when other school districts are looking for good programs to implement, [they should be able to] call the department and say, "Can you tell us how we can implement this type of program?" Under



MARK JOHNSON says local superintendents are frustrated with the slow pace of teacher licensing, and he plans to streamline the process.

an accountable leader, this department can get there.

Your relationship with the state board has been visibly strained since before the beginning of your term. How would you describe your relationship with board members, especially with Chairman Bill Cobey?

You know, I did an affidavit for the trial that we posted on the website ... back in April. Nothing has changed since I've submitted that affidavit. So I think that affidavit speaks for itself.

So safe to say the relationship is still a little strained?

I will tell you this. I am ready to lead this department. I am hopeful that Chairman Cobey and the state board will drop this wasteful lawsuit. That money should be going into classrooms — not the pockets of their lawyers.

How would you describe your relationship with the General Assembly?

When I campaigned for this office, I told people that I really wanted to be someone who walked across the [Halifax] Mall and met with members of the General

Assembly. If you're here in Raleigh, you know that the General Assembly building and the Department of Education building is only separated by [one lawn], but for years it felt like it was miles and miles apart.

That is no longer the case. We are in the General Assembly. When they were in session, we were meeting with them often. We were advising them on policy decisions. We were pushing our legislative agenda. And we actually worked with them to [accomplish a lot], ranging from business modernization, to a council approving pre-K [programs], to more [career and technology education] options and opportunities. That list goes on. My relationship with the General Assembly is good. We have been thought partners on how to transform education, on how to make our education system better for teachers, and on how to drive results for students.

What about your relationship with local superintendents and with the N.C. Association of Educators?

The very first month I was in office we had a meeting with the North Carolina Association of Educators, and I told them that if they ever have any concerns, they should reach out to me.



When you have 13 people that have to meet and have to vote on making decisions, it slows things down. It becomes just a bureaucratic process.

that it's taking up to seven months for them to get their teaching license. That is actually something that will block a good teacher from moving to North Carolina to teach.

[We're] actually conducting a [third-party] audit of the licensing department. We know that it needs to be revamped badly, so that is the first thing we looked at doing when we came [into the agency]. I'm very excited because, by working with the General Assembly, I have [also received] money for the department to have a top-to-bottom operational review. That's very exciting.

One final note on the state board. What would you change about the current situation, if you could?

I'll take a step back, and I'll look at this from a 30,000-foot level — above my situation. We have an education governance problem in North Carolina. That has made itself apparent in that it seems like once a decade people are suing each other over who should have the authority to be the point of accountability for our public schools. The people of North Carolina voted [last year], and they were loud and clear that more of the same [leadership] is not what they want for the education system.

I would hope that the state board appreciated that, but they didn't. And that's why we're now in the situation that we're in. But we probably need to be having a discussion, as a state, about where we go from here to make sure this doesn't happen again.

I don't have the answer for that yet. I'm talking with the General Assembly about that. But it probably means some kind of constitutional amendment to make this a more defined role for each of us. And I think there's a lot of benefit to that, because a lot of the problems we have seen at this department, and a lot of the problems we have seen in education, actually stem from the fact that we have an education governance model that's not working as efficiently as it could be. We owe our students and teachers more than we have right now.

CJ PHOTO BY DON CARRINGTON

TAX REFORM

North Carolina, not Kansas, serves as model for state-level tax reform



Critics of conservative tax reforms like to point to Kansas. They say that state's recent budget struggles prove that tax cuts create too many problems. **PATRICK GLEASON**, director of state affairs at Americans for Tax Reform, offers a different perspective. He shared that perspective during an interview with Mitch Kokai for Carolina Journal Radio.

KOKAI: As part of your job, you take a look at the effect of tax reform [on] tax burdens across the country. You say Kansas isn't really the model. North Carolina is the model. Why is that?

GLEASON: Yeah, so you've seen a lot of national media coverage about Kansas in recent years — in recent months, particularly about what they've done on taxes and tax reform and what's happening with their budget. A lot of the focus has been on how Kansas has had budget deficits following the tax cuts passed in 2012. There is a concerted strategy on the part of the national Democratic Party and left-of-center pundits and folks in the media to hold up Kansas as what they claim as the model of conservative tax relief, tax reform. Then they claim that this has led to the budget disaster or challenges that Kansas has faced.

That couldn't be farther from the truth for a number of reasons, based on what happened in Kansas. But I point to North Carolina as actually the model for what conservative, limited-government, free-market-oriented tax reform looks like. So, there's a lot of focus on Kansas, but actually North Carolina, both in terms of population and the economy — three times the size of Kansas, a much more economically and politically important state — but, although it's three times the size of Kansas, it's gotten a fraction of the attention. That's unfortunate because it really deserves, frankly, more attention than Kansas and more than it's been getting.

What I point out is where Kansas made mistakes and went wrong and made bad decisions, North Carolina went the other way and made the right decisions. Going back to 2012, Kansas cut taxes. Well, at the same time they cut taxes, they failed to rein in spending. When you're cutting taxes, you're going to have a reduction in government revenues. That's the purpose of cutting taxes. They did not make the adjustment. They did not cut spending. A case in point, in 2012, the year they cut taxes by \$4.5 billion, that same year they



PATRICK GLEASON: North Carolina shows what a model for successful pro-growth tax reform and spending restraint looks like.

increased spending by over \$430 million, which represented a 7 percent increase in spending. That's a recipe for disaster. That precipitated and led to what ultimately were repeated budget shortfalls. They did not keep spending in check.

Let's contrast that with North Carolina. Just one year after Kansas had the tax cuts, North Carolina enacted the landmark 2013 tax reform — significantly reducing personal and corporate tax rates, which before then had been the highest in the Southeast. They brought those rates down, brought the top rate from 7.75 percent down to where it is today, below 5.5 percent and going further, based on recent actions. And they took the corporate rate as well from 6.9 percent down to 3 percent, where it is today, and it's set to fall further, down to 2.5 percent in 2019.

Where North Carolina contrasts with Kansas is North Carolina kept spending in check. They budgeted conservatively. Unlike Kansas, after North Carolina cut taxes, they kept growth

in spending below the rate of growth of population and inflation. So what have we seen in North Carolina? At the same time they've returned billions of dollars to taxpayers, to employers, to families across the state, at the same time they've done that, the state has experienced perennial budget surpluses, which has allowed them to enact subsequent rounds of tax relief, including this most recent budget. ... Not only does the state have surpluses, it's allowed the state to build the largest rainy-day fund in state history, and it has a AAA credit rating.

North Carolina shows what a model for successful pro-growth tax reform and spending restraint looks like. And that's where Kansas missed the mark. They cut taxes. They failed to rein in spending. As a result, they came back and actually ended up raising taxes.

KOKAI: If other states are looking at the potential for tax reform, they ought to be looking at the way North Carolina does it, shouldn't they? Not only looking at

North Carolina kept spending in check. They budgeted conservatively. Unlike Kansas, after North Carolina cut taxes, they kept growth in spending below the rate of growth of population and inflation.

that tax side, but also that spending side?

GLEASON: Yes. So North Carolina is really a national model for what smart, conservative, responsible, pro-growth tax relief looks like.

I would say the obsession we see with Kansas in the media — it's gotten up to the national level, where we are having a federal tax reform debate in Washington, D.C., right now. [U.S. House Democratic leader] Nancy Pelosi and [U.S. Senate Democratic leader] Chuck Schumer and national Democrats are referencing Kansas and saying this is a cautionary tale of why we can't cut taxes. It's a diversionary tactic.

Frankly, the obsession with Kansas and the misdirection of wanting to focus on Kansas shows what a weak hand Democrats and the left have to play on fiscal policy. They have to hold up this one small state, which made a number of mistakes and was in no way a model for conservative tax and spending reform — they have to hold that state up because a broader sampling of all 50 states actually debunks what they're trying to claim and shows that, all other things being equal, lower rates of taxation lead to higher rates of economic growth, population growth, and income growth.

There's North Carolina, which shows a counterexample of what to do and what can come out of that. There's also other counterexamples: Texas, Florida, neighbors to the west of

here in Tennessee have been cutting taxes repeatedly in recent years like North Carolina and have had repeated budget surpluses. There are a number of case studies that counter Kansas and rebut it.

KOKAI: Are other states that are looking at tax reform — do they get it? Do they see that, "Hey, if we do it the way North Carolina does, we're going to be in good shape"?

GLEASON: Yeah. I spend my time working in state capitals around the country in my role as head of Americans for Tax Reform's state department. What's interesting is: There are a number of states looking at tax reform. They want to do rate-reducing tax reform. We're at this time of great competition between the states. States need to make their fiscal policies and tax codes as conducive to economic growth and competitive as possible.

As a number of states are looking at tax reform, both later this year and into 2018, ... the side that wanted to oppose tax cuts, they all kept talking about Kansas. Well, luckily, North Carolina and the example that they set was there because, if that were not the case, that Kansas cautionary scare tactic might have worked. We were able to highlight North Carolina and say, "No, here's an example of a state that did it right."

So the rate-reducing tax reform that North Carolina enacted has been great for the state in its own right — for economic growth in the state, for job creation, for attracting investment and new residents. But it also had a national effect. So as other states that are looking to do rate-reducing tax reform, and also at the federal level in Congress, have looked to and been discussing what North Carolina has done, and when the other side tries to scare folks in other states from reducing tax rates by pointing to Kansas, we're able to point to North Carolina and say, "No, there's a way to do it right. North Carolina has done it. You should look to what they've done." The Tar Heel State has really been a national leader in tax reform.

COMMENTARY

EDITORIAL

Unaffiliated voters hold the key

About 30 percent of North Carolina's 6.8 million registered voters are Republicans. So how in the world do Republicans ever win election in the Tar Heel State?

GOP candidates have done well in recent election cycles. Yes, Republican margins in the North Carolina House and Senate are padded by favorable district maps. But they've still won a majority of the statewide vote for legislature in every election since 2010. By contrast, during the previous decades, Democrats often won seat majorities despite losing the "popular vote" for legislature statewide. Republicans also hold a majority on the Council of State, comprising executives elected statewide, as well as on the state Court of Appeals.

Obviously, GOP candidates can't win with registered Republicans alone. They have to get other voters to cross over. So do state Democrats, who make up 39 percent of the electorate. Almost all the remaining voters are registered as unaffiliated, with about half a percentage point consisting of registered Libertarians.

To say that 30 percent of North Carolina voters are unaffiliated is not, however, to say that 30 percent of North Carolina voters begin each election as truly undecided. Careful studies of voting behavior identify only about 10 percent to 15 percent of the electorate as true swing voters in today's polarized politics.

A new survey of 400 unaffiliated voters in North Carolina commissioned by the Civitas Institute found about a third saying they identified more with the Republican Party than the Democrats, a comparable percentage opted for Democrat over Republican, and the remaining third truly had no party preference.

Those fully up-for-grabs independents, then, constitute about a tenth of the North Carolina electorate.

Democratic registration has been falling for many years, with Republican registration roughly flat and unaffiliated registration way up. Nevertheless, Democrats still outnumber



Unaffiliated voters are more likely to identify as fiscally conservative, live mostly in suburban and rural areas, favor capital punishment, overwhelmingly favor repeal of Obamacare, and overwhelmingly favor a photo-ID requirement to vote.

Republicans. The latter have to win a sizable majority of unaffiliated and mildly Democratic voters in order to be competitive.

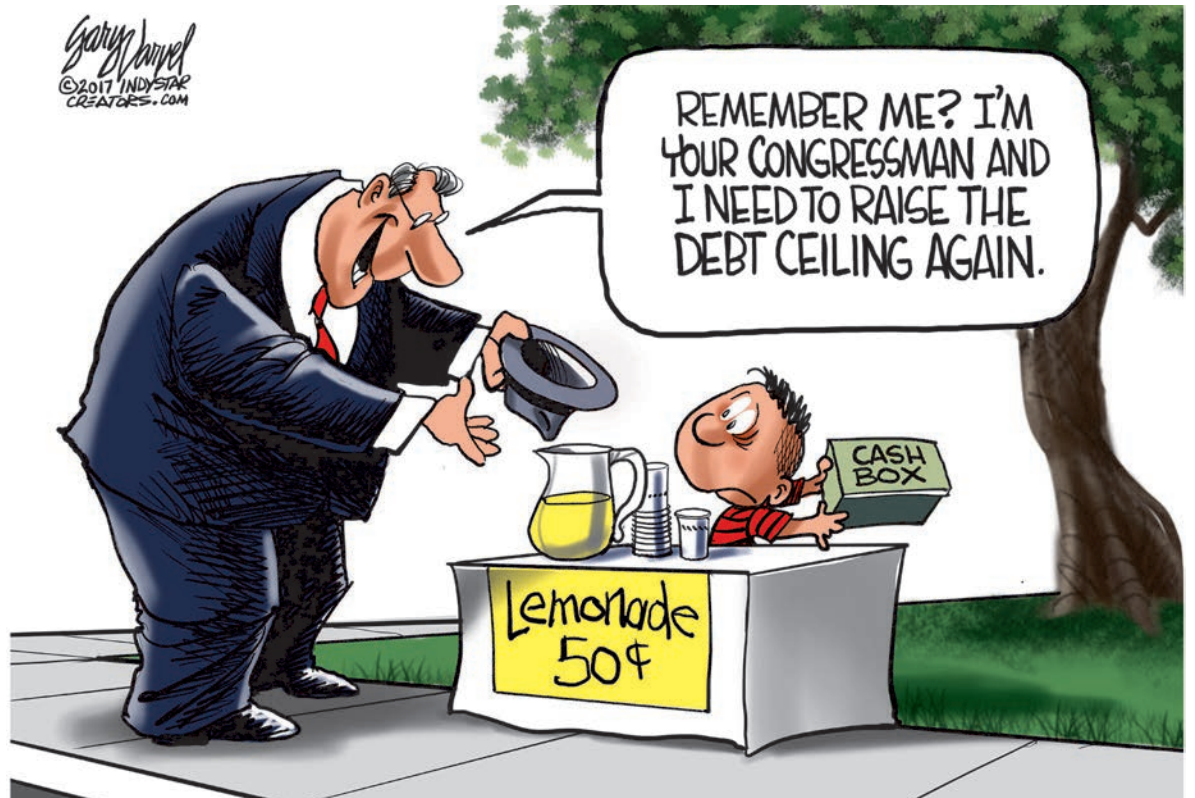
Again citing the Civitas poll, unaffiliated voters are much more likely to identify as fiscally conservative than as fiscally liberal, live mostly in suburban and rural areas, favor capital punishment, overwhelmingly favor either outright or partial repeal of Obamacare, and overwhelmingly favor a photo-ID requirement to vote.

On the other hand, unaffiliated voters are more split when it comes to social issues such as abortion. They disapprove of President Donald Trump's job performance by a 53 percent to 43 percent margin, while approving of Democratic Gov. Roy Cooper's job performance by 56 percent to 27 percent.

Their favorability ratings of the Democratic Party are mixed. Their ratings of the Republican Party are not, at 28 percent favorable to 50 percent unfavorable.

But this may be a short-term phenomenon.

In 2013, for example, a comparable Civitas poll of unaffiliated voters had Democrats up 10 percentage points over Republicans in the generic ballot for legislature. As we know, that edge didn't stick through 2014. On the other hand, that cycle occurred under a somewhat-unpopular Democratic president. The 2018 cycle may well occur under a more-unpopular Republican one.



Redrawing judicial districts: Make sure we get it right



BECKI GRAY

SENIOR VICE PRESIDENT
JOHN LOCKE FOUNDATION

KUDOS TO Rep. Justin Burr, R-Stanly, for filing House Bill 717, *Revise Judicial Districts*. With all the talk — and court cases — about redistricting, focused primarily on the legislative and congressional maps, raising awareness of the judicial districts is an important issue. Although there have been minor adjustments over the years, some judicial and prosecutorial districts haven't changed since 1965. Across state government, North Carolina should make all efforts to ensure equal access to a well-functioning judicial system and make adjustments. Now is a good time to consider thoughtfully how judicial districts can best serve the people of North Carolina.

Redrawing judicial districts deserves careful thought. Again, kudos to Burr for bringing the issue forward. But changes to the judicial system that affect every North Carolinian deserve careful thought, advice from experts, thorough review, tough scrutiny, and thorough debate.

Brought up in the final days of the 2017 legislative session, H.B. 717 remains in the House Elections Committee. During the interim, Burr is traveling across the state, meeting with judges and district

attorneys for feedback and suggestions on his plan.

With North Carolina's growing population and changing demographics, judicial maps deserve another look if they have not been adjusted in a while. But unlike legislative and congressional districts, judicial districts do not have to be redrawn regularly to ensure equal representation in each district. Judges don't come together to vote on judicial issues, so there's no reason each district would have to be the same size, either geographically or by population. As long as resources are allocated proportionately, with larger districts getting more funding than smaller ones, it doesn't matter whether one district is larger than another. The key should be that the judicial system is organized to give all residents access to fair administration of justice.

Lawmakers should avoid pursuing a redistricting plan whose only goal is increasing a partisan advantage. The N.C. Courts Commission may be the most appropriate body to construct judicial districts.

N.C. General Statute 7A-508 appears to give the commission the authority to study and make recommendations to the General

Assembly, if not draw the maps themselves:

It shall be the duty of the Commission to make continuing studies of the structure, organization, jurisdiction, procedures, and personnel of the Judicial Department and of the General Court of Justice and to make recommendations to the General Assembly for such changes therein as will facilitate the administration of justice. (1979, c. 1077, s. 1.)

In the N.C. Courts Commission report to the 2017 General Assembly, the Administrative Office of the Courts presented information and criteria regarding efforts to study the reorganization of judicial and prosecutorial districts to the General Assembly. The Courts Commission chair, Rep. Sarah Stevens, R-Surry, suggested the 2020 elections would be the earliest for changes to judicial districts made by the General Assembly based on recommendations from the Courts Commission.

North Carolina's judicial districts should be evaluated to ensure the fair and accessible administration of justice. The process should be thoughtful and deliberate, with input from interested parties across the state. Districts should not be drawn based purely on political gain. The Courts Commission is the appropriate and statutorily authorized body to make recommendations to the General Assembly. Redrawing judicial districts is a good idea. Let's make sure we get it right.



COMMENTARY BY JOHN HOOD

Measuring value added is essential

WHAT DIFFERENCE does it make?

Whether one considers market innovations, social reforms, medical discoveries, or public policies, a prerequisite for progress is figuring out how to avoid false positives and false negatives. That is, if your business introduces a new product and you make more money the next year, was it the new product that did the trick or the extra effort you put into marketing and customer service?

If you conclude incorrectly that something you did had a positive effect, you can end up wasting lots of time and resources doing something that doesn't really produce a net benefit. And if you conclude incorrectly that something you did had no positive effect — the problem got worse, but actually it would have been even worse than that without your intervention — then you may also misallocate resources to a lower-value use.

One obvious answer is to devise careful tests with experimental and control groups. Another idea is to employ statistical methods to control for other factors and then attempt to detect the “value added” by a particular program or person.

There's always resistance. In North Carolina, some teachers have objected to the use of value-added assessments for evaluating schools, instructional practices, and teachers themselves. They argue value-added testing isn't free from flaws or biases, which is certainly true.

But that's not a sufficient objection. Techniques for measuring value added and using the results to make management decisions are increasingly common through all professions and industries even though perfection is clearly impossible — because the alternatives are worse.

Common sense says principals and teachers, like other professionals, differ in abilities, diligence, and effectiveness. We want to retain and productively deploy the highest performers, help the middling performers get better, and suggest that the lowest performers pursue other careers. Even as models get refined, some educators may get misclassified. But flying by imperfect instruments is still better than flying by the seat of your pants.

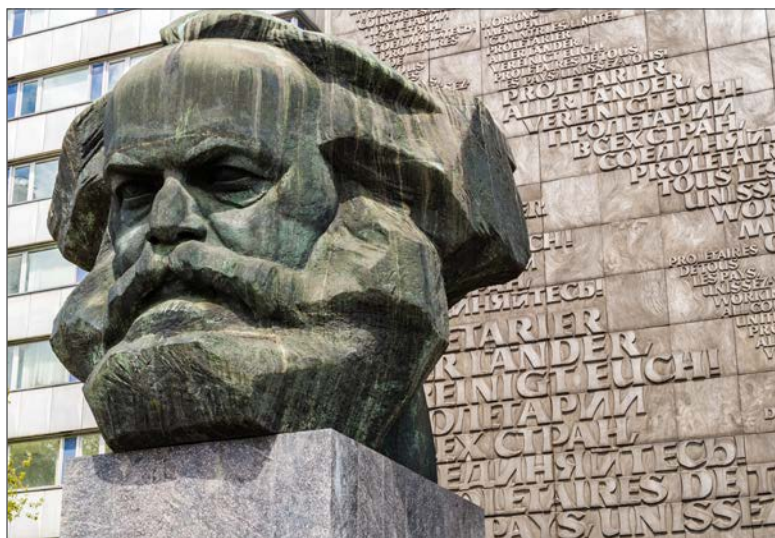
Some ideas have hideous consequences

In 1948, a 38-year-old North Carolinian and English professor at the University of Chicago coined a memorable phrase: “Ideas have consequences.”

Richard Weaver, a traditionalist conservative from the Asheville area who briefly taught at N.C. State University before landing his Chicago job, was making a philosophical point in his provocative book *Ideas Have Consequences* about the nature of truth and implications of denying its universality. But his famous phrase has been applied much more broadly — and immediately came to my mind when I saw the coverage of the Charlottesville protests.

The revolting white supremacist who drove his car into a counter-protesting crowd, killing one and critically injuring several more, produced only the latest in a series of killings and attempted killings motivated by political, ideological, or racial animus.

In May, for example, an Oregon bigot yelled epithets at two young women, one wearing a hijab, and then stabbed to death two of three heroic men who intervened to protect the women. In June, a left-wing extremist attempted to assassinate Republican congressmen and staff-



HIDEOUS. Some ideologies condone revolutionary violence.

ers at a Virginia park. Among the victims was the critically wounded Steve Scalise, majority whip in the U.S. House.

In these cases, and more I could list, personal problems, social isolation, and mental illness may have helped to precipitate the action. People who express differing opinions on issues aren't necessarily morally responsible when others who share their opinions engage in violence. Indeed, the vast majority of people who hold even radical positions in politics don't become would-be killers or terrorists.

If you thought the federal government too often encroaches on the constitutional powers of states or the constitutional rights of individuals, that didn't make you a co-conspirator with Timothy McVeigh in the Oklahoma City bombing. If you expressed concerns about environmental degradation,

corporate power, and the adverse effects of industrialization and technology on human societies, that didn't make you a co-conspirator with Ted Kaczynski in his Unabomber attacks.

None of which is to say that sharing certain ideas can't make you partially responsible for whatever horrendous consequences might result. The easy examples are direct exhortations to violence. Almost as easy are examples of the ideologies of Karl Marx, Vladimir Lenin, and Adolf Hitler, all of which condone and require revolutionary violence.

Marx, scribbling his dangerous idiocies from the relative safety and security of 19th-century London, may well be responsible for more human suffering and misery than any other single person in history. Yet he did not himself kill, torture, or enslave anyone.

The harder case to accept, but one that we must grapple with in the aftermath of recent events, is that when people in positions of power or influence abandon the norms of civil discourse and representative government, they aren't just expressing a political opinion. They are implicitly endorsing a recourse to violence.

You see, politics is at its root a search for ways to accommodate strongly divergent points of view. If you don't like a certain business, charity, church, or private group, you can just disassociate yourself from it. Governments are different. They produce coercive policies and collect coercive taxes. If your view of what government should do doesn't prevail, the only way to disassociate yourself from it is to leave the locality, state, or nation in question.

Because people will never see their views prevail all the time, they have to be willing to live under policies they dislike if they want to continue living in their communities. But when their heads are pumped full of conspiracy theories, bigotries, and revolutionary ideologies, some come to believe that they shouldn't have to either tolerate difference or exit — that there must be a third alternative.

This is a dangerous moment. I can see it in my hate mail. Over three decades of column writing, I've always received critical comments. But one recent, unhinged reader called me “the false prophet” and expressed the hope that someone will “silence my voice.”

There is an idea here. Its consequences are hideous.

2017-19 NORTH CAROLINA STATE BUDGET

Know these five budget facts

DURING THE recent legislative session, the Republican-led General Assembly overrode a veto by Democratic Gov. Roy Cooper to enact a new budget. Here are five facts you need to know about the spending plan and its potential effects on you, your family, and your finances.

First, the state budget encompasses a variety of programs and funding sources. The part most people focus on is called the General Fund. Under the new plan, General Fund spending will rise to \$23.6 billion by fiscal 2018-19 — an increase of about \$1.3 billion, or 5.9 percent, over two years. By

comparison, the total state budget will exceed \$50 billion each year, including highway funds and federal dollars.

The second fact to know about the state budget is it will cut your taxes — again. Since 2011, the General Assembly has repeatedly reduced taxes, first by refusing Democratic attempts to maintain a massive sales-tax increase, then by implementing in stages a package of reforms that has drawn great interest from around the country.

The third fact to know is that cutting taxes didn't keep the General Assembly from funding



Some politicians and activists think North Carolina should spend more, tax more, and save less. We disagree.

high-priority needs such as teacher pay, which will soon approach the national average, when state cost-of-living is properly taken into account.

It's true Republicans now crafting state budgets believe in fiscal disci-

pline. From 2011 to 2017, General Fund spending increased by an annual average of 2.5 percent.

The fourth fact to know is that it continues the recent practice of building up savings accounts, both a wise precaution in case of recession or disaster and a fiscal insurance policy against future tax hikes. We now have a rainy-day fund of \$1.8 billion, exceeding 8 percent of General Fund needs.

The fifth fact to know is, taken in their totality, North Carolina's budget policies rank us 15th in the nation in fiscal health, research by scholars at George Mason University's

Mercatus Center says. Our state fared particularly well in long-term solvency — eighth in the country — because of our disciplined approach to savings, and trust-fund solvency — seventh — the cause of our relatively low levels of debt. North Carolina's overall ranking has shot up dramatically over the past two years and will likely break the top 10 soon.

These are facts about the state budget. Some politicians and activists think North Carolina should spend more, tax more, and save less. We disagree — and hope they don't get their way.

COMMENTARY

Beer money and changing markets



JOHN TRUMP
MANAGING EDITOR

News that beer distributors through political action committees poured nearly \$100,000 toward defeating a bill to lift a production cap on North Carolina brewers should surprise no one.

The *Charlotte Observer*, citing campaign finance reports, wrote that from January through June the distributors gave Senate Republican leader Phil Berger \$33,300 and House Speaker Tim Moore \$21,700. The distributors also gave to members of the House Alcoholic Beverage Control Committee at least \$22,000, among other donations given to lawmakers who consistently oppose any legislation having to do with alcohol.

As Tim Kent, executive director of the N.C. Beer and Wine Wholesalers, told the paper, “We’ve had a political action committee for decades. ... Nothing has changed.”

He’s right, of course. Nothing has changed, and, on the wholesalers’ end, nothing probably will.

“So far it looks as though the dollars win,” says Todd Ford, founder of NoDa Brewing Co. in Charlotte and a leader in the Craft Freedom movement. “Eventually people tire of the corruption stories, and everybody moves on with little change.”

But things may change because markets change and tastes change. Lawmakers, removed by voters, change, too.

The state has well more than

200 craft brewers, and the list is growing. Breweries, in fact, are as ubiquitous in North Carolina as Starbucks coffee shops are in Manhattan.

As it stands, North Carolina’s brewers can produce no more than 25,000 barrels of beer before they must procure a distributor, a move brewers close to that threshold say unfairly inhibits growth, compromises their brand, and runs counter to the core tenets of a free market.

A provision to raise that cap to 200,000 barrels highlighted a bill to help craft brewers, but that morphed into omnibus legislation — Senate Bill 155, the so-called brunch bill — that included rules to help restaurants and distilleries. Lawmakers nixed the provision to raise the distribution threshold.

The brunch bill greatly benefits distilleries and restaurants that get local approval to sell liquor on Sunday, but it did little for the brewers who simply want to keep control of their product.

The craft brewers are adamant that North Carolina law suppresses growth and have filed a lawsuit saying two state laws are unconstitutional and nothing more than economic protectionism for the distributors.

The case, pending in Wake County Superior Court, seeks a permanent injunction against enforcement of the state’s distribution cap and franchise laws. It says the distribution cap and franchise laws are inflicting injury and threaten to impose additional damage to the brewers.

Again, things change.

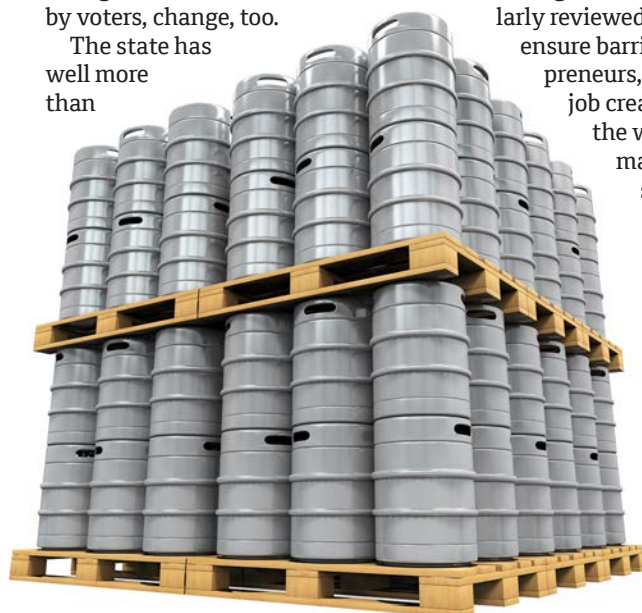
“The struggle the craft brewers face with the distribution mandate is a good example of how government regulations should be regularly reviewed and amended to

ensure barriers for entrepreneurs, investors, and job creators don’t get in

the way of allowing markets to work,”

says Becki Gray, senior vice president of the John Locke Foundation.

“Their slogan of ‘craft freedom’ could apply to any business in North Carolina. In the end, it’s all about freedom.”



Why can’t we get the economy just right?



MICHAEL WALDEN
COLUMNIST

MY WIFE IS A great cook, and she makes fabulous varieties of soups. My favorite is her lentil soup. It’s both tasty and healthy.

But my wife and I disagree over the temperature of the soup. Remember the Goldilocks saying about the soup not being too hot or too cold, but instead being just right. We can’t agree on the “just right” soup temperature.

There’s a parallel with the economy. We’d like to get the economy “just right” for everyone, but usually we appear to fail. I’m often asked in my public presentations why smart economists and policymakers can’t get the economy to work for everyone.

As a way of answering this question, consider four big changes in the economy during the past 40 years and how they have impacted groups of people differently. The four changes are the plunge in inflation, the drop in interest rates, the rebirth of the U.S. energy sector, and the spread of information technology.

When I was hired by N.C. State University in 1978, the comprehensive — meaning it covers everything consumers buy — inflation rate was 9 percent, and it would rise to almost 13 percent in 1980. Last year the comprehensive inflation rate was 1.4 percent. Although

everyone’s personal inflation rate differs based on what they buy, there has been a downward trend in the rate at which most prices are increasing.

A lower inflation rate is certainly good news for many people. It’s easier to budget future paychecks knowing the rise in the cost of living will be slower. It also means workers don’t need as much of a boost in their pay to keep pace with higher prices.

But for debtors there’s a downside to lower inflation. Usually loans are paid back with a fixed dollar amount payment each period — typically each month. Inflation reduces the purchasing power — or value — of future dollars. So higher inflation allows debtors to repay loans with cheaper dollars.

Paralleling the drop in the inflation rate has been a similar reduction in interest rates. In 1981 the 30-year fixed mortgage interest rate hit 18 percent. Today it’s a little more than 4 percent. Other interest rates have followed a similar path. Clearly lower interest rates make it easier for people to borrow money and fulfill their dreams of a home, a new vehicle, or financing a college education.

Are there no downsides to lower interest rates? Yes, there are, for savers. What if you’re afraid of the stock market and want your money in a safe government or high-grade corporate bond? Good luck. The interest earnings are paltry with rates today barely above 2 percent — maybe 4 percent if you take some risk.

Counted by many as knocked-out 40 years ago, U.S. energy produc-

tion — mainly oil and natural gas — has skyrocketed in the past decade, thereby allowing the share of our oil usage that is imported to be cut in half and for pump prices to hover around \$2 a gallon this summer. Lower gas prices help the family budget and give us more freedom to travel.

But even low gas prices have a downside. More drivers may be motivated to buy larger vehicles and to avoid alternatively powered vehicles that may be kinder to the environment.

Likewise, who could find anything wrong with the IT (information technology) revolution? How could any of us function at work or at home without our smartphone, laptop, tablet, and other techy-gadgets? Entire industries and new occupations — many of them in North Carolina — have sprung up around IT.

But what if you work in the traditional bricks-and-mortar retail industry, or you’re a cabbie, or you work in food service? Each of these industries is being threatened by IT competitors, and many economists think the list will expand.

The major reason that we can’t “get the economy right” is that “right” for one person, industry, or region may be “wrong” for another. Economic conditions and outcomes have varying impacts. This is why economics is so interesting — but also challenging and frustrating at the same time.

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

COMMENTARY

GOP is right to worry about Trump's performance



ANDY TAYLOR
COLUMNIST

History suggests the 2018 congressional elections won't be kind to Republicans. In half of the eight midterms since 1986, the party occupying the White House has lost majority control of the Senate. In only two House off-year elections since 1934 has the president's party enjoyed net seat gains — in 1998, when voters were reacting to GOP efforts to continue with the impeachment of Bill Clinton, and 2002, when George W. Bush's War on Terror was in its infancy. Still, the Democrats won only five in the first contest, and Republicans just eight in the second.

A president's approval ratings are related to his party's fortunes in the midterms, and therefore President Trump should only make things worse. At around 35 percent in recent polls, Trump's score is the lowest for any modern president this early in his term. As most of

his predecessors would tell you, it generally goes downhill from here. Barack Obama was at 44 percent, enjoying an identically sized majority as the GOP does now, when the Democrats lost the House in 2010. Bush was where Trump finds himself now as Republicans lost both chambers in 2006, and Clinton was at 46 percent when the Republican Revolution took out 54 House and eight Senate Democrats in 1994.

It's comforting to know that Republicans tend to show up more than Democrats in midterms. They are habitual voters. In 2014, according to exit polls, 30 percent of voters had incomes in excess of \$100,000, and 65 percent were over 45 years old. Two years earlier, in a presidential race, these figures were 28 and 54, respectively. But as we know, Trump's base doesn't match the party's. Will Republicans who don't like Trump be energized? Will Trump voters turn out and then vote for the GOP? White voters without a college degree, a group Trump won 2-to-1, are in steep decline as a share of the electorate and should make up less than a third of it for the first time ever in 2018.

Is this pessimism borne out by a state-by-state, district-by-district analysis? Here it looks better for



A president's approval ratings are related to his party's fortunes in the midterms, and therefore President Trump should only make things worse.

Republicans. Of the 33 Senate seats up in the 2018 cycle, only eight are defended by Republicans and, with the exception of Dean Heller's Nevada seat, all look fairly safe at the moment. Ten Democrat-held seats are in states Trump won in 2016 — although against popular incumbents, many of them remain longshots for the GOP.

Things are only a little less rosy on the House side. Republicans there benefit from a GOP bias in how the districts are currently drawn. In the 2016 House elections, for example, Republicans won 50.6 percent of the two-party vote but 55.4 percent of the seats. Although Trump lost the national popular vote, the median House district — that is the middle when all are lined up in order of their results from most-Trump to most-Clinton — supported him by 3.5 percent.

Using that as a starting point means Democrats would need a 3.5 percent swing in their favor just to get to 218 House seats, the narrowest possible majority. Such movement against Trump's mark also puts the Democrats at 55 percent of the two-party vote in a national contest. It's tough, though not impossible, to imagine they can win by 10 percentage points in 2018. A few generic congressional party vote polls show Democrats have led by that much, including a July *Washington Post*/ABC News survey that had them ahead 52-38.

The obstacle in front of House Democrats might be thought of in another way. If you add together all the districts won by Clinton to the number of districts won by Trump that are now occupied by Democrats, you get to 217, one short of a majority. Even if they win all 23 seats captured by Clinton and occupied by a GOP incumbent, Democrats must still flip a Trump-Republican district to seize the majority.

What do the midterms and the anticipated political climate mean in North Carolina? The big 3.5 percent swing to Democrats referred to earlier would leave all 10 U.S. House Republicans from the state unscathed. The effect on state legislative races will depend on

the court-mandated redistricting that will play out over the next few weeks. Under the current map, a 3.5 percent swing to Democrats will yield them, at most, seven state Senate seats and 11 in the House. That would be enough to sustain Gov. Roy Cooper's vetoes but not hand the party a majority in either chamber.

Democrats can take encouragement from rumors they are recruiting well. They came close in a few special House elections in strong GOP districts necessitated by Trump cabinet appointments. But they did lose all four, despite significant financial investments.

It's still early, and the landscape appears favorable. But Republicans should be concerned by Trump's performance. The president and the congressional party are also not a strong fit, either ideologically or stylistically. As long as the legislative agenda remains stalled and Robert Mueller's Russia investigation continues, there's little immediate sign of the GOP's in-the-balance 2018 prospects improving.

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

Are congressional Republicans the gang that can't shoot straight?



MARC ROTTERMAN
COLUMNIST

WATCHING FROM OUTSIDE of the Washington Beltway, it seems the Republican leadership in Congress is incapable of organizing a two-car funeral, let alone enacting major reform or passing significant legislation.

Exhibit No. 1 is the pathetic attempt by House Speaker Paul Ryan of Wisconsin and Senate Majority Leader Mitch McConnell of Kentucky to repeal and replace Obamacare.

As we all know, Republicans spent seven years vowing to repeal Obamacare.

But after seven years and a surprise Donald Trump presidential victory, the GOP was caught flatfooted, without a health care plan a majority of Congress could get behind.

Ryan led with a top-down approach — a binary choice for his



FLAT-FOOTED: Rep. Paul Ryan, R-Wisconsin, talks with then-president Obama during a 2010 meeting on health insurance reform.

caucus. He essentially stated: You're either with me or against me.

Predictably, many Republicans balked. Politics is about inclusion in the making of legislation, not exclusion. The House process was painful to watch, reminding us of a silent movie with Republican House members shuttling back

and forth to microphones with virtually the same message: "We're trying to get to yes."

After painful negotiations and countless media appearances to explain "how hard it was to get something like this done," the House passed a bill nobody liked with the hope it could be improved

in a conference after the Senate passed its version.

Then entered McConnell, who went through some of the same machinations but ultimately failed to get the Senate on board. The final "thumbs down" — literally — came from Arizona Republican John McCain.

McConnell later weighed in and stated that President Trump had "excessive expectations." The message went over like a lead balloon with the president and led to a firestorm of tweets.

Clearly, Ryan and McConnell were no fans of the Trump candidacy for president or, for that matter, much of his agenda. In the opinion of this writer and others, they deliberately have slow-walked much of what the Trump White House wants to achieve.

Case in point is one of the president's signature issues and a goal embraced by the base who elected him: building a wall or fence between the United States and Mexico. Neither McConnell, Ryan, nor their allies at the U.S. Chamber of Commerce want to see that happen.

In his late August speech in Arizona, the president threatened

to shut down the government if funding for the wall is not included in the upcoming budget. He also called on McConnell to end the legislative filibuster that requires 60 votes to pass controversial bills. President Trump says a simple majority is all that's needed to pass legislation. That seems to me a reasonable request, especially during these hyperpartisan times.

After all, does anyone doubt that Senate Minority Leader Chuck Schumer of New York would immediately end the legislative filibuster if Democrats took control of the Senate and enact his team's big-government, progressive agenda?

A lot is at stake this fall, including tax reform or at least tax cuts for businesses and families.

Can Ryan and McConnell pull it together and drive the president's agenda through their respective caucuses?

We'll see. If they can't deliver, then it's time for a change of management.

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

JONES STREET GEMS

"The right to vote is the most precious vote we have as an American. Indeed, redistricting is one way to deny that. I for one know the value of redistricting. I was part of the challenge that decreed the two [majority minority] congressional districts in North Carolina. This is no more than a sham. If the process is flawed, the product is flawed."

EVA CLAYTON
FORMER NORTH CAROLINA CONGRESSWOMAN

"We are pleased the General Assembly has drawn these maps without recourse to racial data, biases, or prejudices. However ... we demand that each political party recognizes the need for racial inclusion in nominating candidates."

ADENIYI OJUTIKU
BLACK REPUBLICANS OF WAKE COUNTY AND THE FAITH-BASED ORGANIZATIONS OF THE CAROLINAS

"One of the things he always told us was he made that trek across Russia because he was fighting for his voice in his government, and he couldn't have that in Russia, so he came to the United States. And he reminded every one of us that it was our responsibility to speak up, and to have a voice. Gerrymandering takes away that voice."

JANE PINSKY
NORTH CAROLINA COALITION FOR LOBBYING AND GOVERNMENT REFORM

Recounting her grandfather's perilous flight from a penal colony and Russian Cossacks.

"Some have already sought alternative means of justice. Let me tell you, we are getting organized to take our power back. We are in the streets."

ALLISON MAHALEY
AMERICANS UNITED FOR THE SEPARATION OF CHURCH AND STATE

"I support the House redistricting plan. [My House district] looks more like an ink spot rather than an ink splatter."

JERRY REINOEHL
FAYETTEVILLE

"People are frustrated enough that this will end up becoming the revolution."

GLORIA FALEY
ORANGE COUNTY


Shouting at GOP lawmakers after being denied an extension of her three-minute testimony during which she lashed out at Republicans.

"Fear of what the Russians or other enemy nations might do to cause Americans to lose faith in our election process pales in comparison to what we have done to ourselves. How can we have a legitimate democracy when the Constitution has been willfully manipulated to take away the principle of one person-one vote via gerrymandering. Both parties are guilty. I'm old, so I know it's both parties."

MARY MORETZ
BOONE

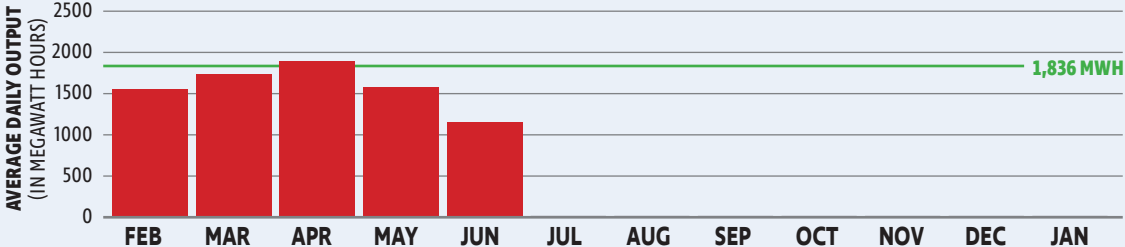
"We should be able to disentangle race and party ID, but the reality is that African-Americans vote with the Democratic Party 90 percent of the time. Voting rights broadly defined and redistricting are part of the same debate. It is a debate about partisanship, and it's a debate about race."

CHRIS COOPER
WESTERN CAROLINA UNIVERSITY



Amazon Wind Meter

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



| Month | Average Daily Output (MWh) |
|-------|----------------------------|
| FEB | 1500 |
| MAR | 1700 |
| APR | 1900 |
| MAY | 1600 |
| JUN | 1200 |
| JUL | 0 |
| AUG | 0 |
| SEP | 0 |
| OCT | 0 |
| NOV | 0 |
| DEC | 0 |
| JAN | 0 |

1,836 MWh

SOURCE: U. S. Energy Information Administration

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- WLOS Asheville, Sunday 5 am
- WCCB Charlotte, Sunday 6:30 am
- WXLV Greensboro/Triad, Sunday 7:30 am
- Cable 7 Greenville, Sun. 10:30 am, Mon. 9:30 pm, Wed. 6:30 pm, Thu. 9:30 pm, Fri. 9 pm
- FOX8/FOX14 Greenville/Washington/New Bern, Sunday 8 am
- WTBL Lenoir, Sunday 9 am, Monday 5:30 pm, Tuesday 12:30 pm
- WRAZ "Fox 50" Raleigh-Durham, Sunday 6:30 am & 8:30 am
- WGSR-TV Reidsville, Saturday 7 am, 9 am, Sunday 12 pm, 10:30 pm
- WNVN Roanoke Rapids, Sunday 10:00am
- WHIG Rocky Mount, Sunday 1:30 pm
- Cable 10 Roxboro, Sunday 6 pm
- WILM Wilmington, Sunday 5 am



RADIO

- Chapel Hill, WCHL-AM 1360, Sunday 6 pm
- Goldsboro, WGBR-AM 1150, Sunday 4 pm
- Greenville, WTIB-FM 94.3, Sunday 9:30 am
- Jacksonville, WJNC-AM 1240, Sunday 10 am
- Laurinburg, WLNC-AM 1300, Sunday 10 am
- Morehead City, WTKF-FM 107.1, Sunday 10 am
- Rocky Mount, WEED-AM 1390, Sunday, 9:30 am
- Sanford, WWGP-AM 1050, Sunday 7:30 am
- Smithfield, WTSB-AM 1090, Sunday 7:06 am
- Statesville, WAME-AM 550, Sunday 5:30 am
- Valdese, WSVM-AM 1490, Monday 6 pm
- Wanchese, WYND-FM 97.1, Sunday 7:30 am
- Wilmington, WAAV-AM 980, Sunday 5:30 pm