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CAROLINA JOURNAL

A MONTHLY JOURNAL OF NEWS, ANALYSIS, AND OPINION FROM THE JOHN LOCKE FOUNDATION CAROLINAJOURNAL.COM VOL. 26 • NO. 10 • OCTOBER 2017 • STATEWIDE EDITION

DOT betting Ocracoke travelers will abandon cars in favor of boat ride

Passenger-only ferry expected to relieve congestion



VEHICLE FERRY. The Ocracoke is one of six vessels making daily round trips between Hatteras and Ocracoke Island.



DON CARRINGTON
EXECUTIVE EDITOR

North Carolina is betting on an expensive project to increase consumer spending in a small area of the state, and this time it's starting with a

\$6 million down payment.

The N.C. Department of Transportation's Ferry Division is counting on ferrying enough travelers to Ocracoke Island, hoping they'll leave their cars in Hatteras to justify spending millions on a passenger-only ferry vessel and related infrastructure.

The new service begins next summer and will operate May through September. Passengers will pay \$15 for a round trip from Hatteras

to Ocracoke Village on the southern end of the island.

Six vehicle-ferry vessels making 36 trips each way during the peak summer months already serve the Hatteras-to-Ocracoke route. That service is free. That route ends at the northern part of the island, 14 miles from Ocracoke Village and the ultimate destination for the new ferry.

"Doing nothing is not an option," said Ferry Division

communications director Tim Hass, who cited traffic problems on Hatteras during the summer. "This will give people a choice of how to access Ocracoke and increase visitor spending on the island."

The new ferry is an example of yet another state-funded project driven by the findings of a feasibility study, even if there's little evidence consumers would support it. Government-sponsored

feasibility and economic impact studies are notorious for overestimating the viability and economic benefits of proposed projects.

Some projects include the Global TransPark in Kinston, the Randy Parton Theatre in Roanoke Rapids, and the Southport Megaport. All were preceded by reports forecasting thousands of jobs and significant eco-

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*Is business
down in
Ocracoke?*

BY DON CARRINGTON

Business owners in Ocracoke say they are seeing a 20 percent to 25 percent loss in revenue, which most attributed to fewer day-trippers because of a decline in ferry service, a Department of Transportation feasibility study says.

Researchers sought to assign an actual value to the loss during the summer season. They surveyed people leaving Ocracoke and found visitors spent an average of \$100 per person, per day. That combines \$15 for general merchandise, \$25 for food, and \$60 for lodging.

Researchers also determined that drivers of 2.2 percent of vehicles waiting in line decided to abandon their trips because the line was too long. DOT estimates that average occupancy per vehicle is 2.9 people. According to the study, this results in about 1,273 vehicles not making their trip, or about 3,700 people, which equates to

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Interview with Brent Woodcox

Creator of Share Raleigh discusses future of short-term rentals in capital city.

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Cooper continues pattern of vetoes

Since his inauguration, Gov. Roy Cooper has vetoed 12 bills, but the General Assembly has successfully overridden seven of them. Lawmakers plan to revisit the other five bills later.

House Bill 205, House Bill 511, and House Bill 576 are on the House's calendar. Senate Bill 16 is on the Senate's. House Bill 56 isn't on any calendar but is likely to join the other bills during the legislature's October special session.

During an August session, legislators took up the vetoes of House Bill 140 and House Bill 770 and passed them with relative ease.

H.B. 140 originally began as legislation addressing dental insurance but was amended to expand the type of property covered by credit insurance. Critics worried the provision allowed a form of predatory lending, but Rep. John Szoka, R-Cumber-



Gov. Roy Cooper has vetoed 12 bills during his first year in office. That's the second-highest total in N.C. history, trailing only Beverly Perdue's 16 vetoes in 2011.

land, pointed out during the special session that predatory lending is already illegal in North Carolina.

"It is not a major change in the law," Szoka said. "It is a minor change to recognize

new classes of property that people can take off of their personal homestead where they live."

"It is just trying to update things to the way people live today."

H.B. 770 dealt with several technical corrections but drew controversy with the addition of a provision allowing a state employee to draw a second salary from the Property Tax Commis-

sion. The measure also reduced Cooper's appointment power to the state Medical Board.

The remaining vetoed bills deal with a variety of issues—from allowing nonprofits to hold game nights for fundraising efforts (H.B. 511) to permitting the use of a process involving spraying waste material in landfills (H.B. 576). H.B. 205 requires newspapers to treat carriers as employees and changes how local governments issue public notices.

S.B. 16 addresses a mix of regulation reform. Cooper took issue with a provision clarifying stormwater runoff protection and another extending wastewater permits. H.B. 56 amends certain environmental laws. Most notably it includes a repeal of the Outer Banks plastic bag ban and funding to address the recently publicized GenX pollution situation in the Cape Fear river.

State treasurer awards BlueCross BlueShield of North Carolina administrator contract

STATE TREASURER Dale Folwell has awarded BlueCross BlueShield of North Carolina the third-party administrator contract for the State Health Plan.

The TPA negotiates contracts with health care providers and processes claims paid with taxpayer money. BlueCross BlueShield of North Carolina holds the current TPA contract, which expires Dec. 31, 2018. The new contract will run until 2021 and then face a performance review.

UnitedHealthcare, MedCost, and Aetna also submitted proposals, but BCBSNC won the bid. The board of trustees voted on the proposals. The vote was unanimous, Folwell said.

"This announcement is not a renewing of our vows, it is a resetting of our priorities and our relationship," Folwell said. "We are going to be reducing complexity of the State Health Plan moving forward and building value for participants."

The North Carolina State Health Plan is the largest buyer of employer-sponsored health care in the state, with coverage for



State Treasurer Dale Folwell, shown here at a January swearing-in ceremony at the Executive Mansion.

more than 700,000 teachers, state employees, retirees, lawmakers, state university and community college personnel, and any dependents. The General Assembly funds the plan through appropriations.

In 2016 the plan spent \$3.262 billion on medical claims, pharmacy claims, Medicare Advantage plans, and administrative costs. More is spent on the plan than on the entire UNC system, which amounts to \$2.85 billion a year.

Folwell warned of an impending problem facing the state, which has about

\$48 billion in unfunded liabilities for retiree health benefits.

"This is a serious matter. It is a matter that is going to face the next treasurer of North Carolina," Folwell said. "It's not emotional. It's not political. It's mathematical."

"We have to find a way to take \$300 million a year out of our health care spending," Folwell explained. "Our need to cut \$300 million out of the cost of this \$3 billion-a-year operation is not something we just thought of."

"It is a necessity."

Expanded 911 system will link call centers; let users send photos, texts

If you see a crime, who are you going to call? If you're civic-minded, the state's toll-free 911 system.

In the near future, 911 callers also will be able to send photos, videos, and text messages of a crime in progress.

Those expanded features will be part of a seven-year, \$99 million project that kicked in Sept. 15. The NC 911 Board contracted with AT&T to link all 117 primary call centers through the AT&T ESINet system by 2020.

High-speed connections on internet-based routing services will allow all call centers to communicate with one another.

Every center will serve as a backup for any other center in the state in the event of a natural disaster or an overload of emergency calls. Outdated technology now prevents that connectivity at some centers.

More than 75 percent of

911 calls in North Carolina come from a mobile device, said Richard Taylor, executive director of the NC 911 board.

Callers will be able to use those devices to send photos or videos. They might provide a 911 operator more detailed information to relay to first responders, said state Emergency Management Director Mike Sprayberry of the N.C. Department of Public Safety.

The new technology will provide a more sophisticated ability to route calls based on the caller's geographic location.

Firewalls and multiple layers of security will detect and prevent a system intrusion. That will help protect the 911 infrastructure from cyber threats.

Money set aside from the 60-cent monthly fee included on all phone bills will pay for the statewide upgrade.

QUICK TAKES

Chief justice selects Ridgeway to head Wake County Superior Court

RALEIGH — The Wake County Superior Court has a new leader.

Supreme Court Chief Justice Mark Martin has appointed Judge Paul Ridgeway to succeed Senior Resident Superior Court Judge Donald Stephens, who will retire Nov. 1.

“Judge Ridgeway has served with distinction as Superior Court judge, dispensing fair and impartial justice without regard to the political implications of his decisions,” Martin said. “Experience is often the greatest teacher, and Judge Ridgeway is the longest-serving resident Superior Court judge in Wake County.”

Ridgeway, a Democrat, was elected to the bench in 2006. He was re-elected in 2014, and his current term will last until 2022. Ridgeway has presided over the *Dickson v. Rucho* redistricting lawsuit, which recently made its third appearance before the N.C. Supreme Court. He worked

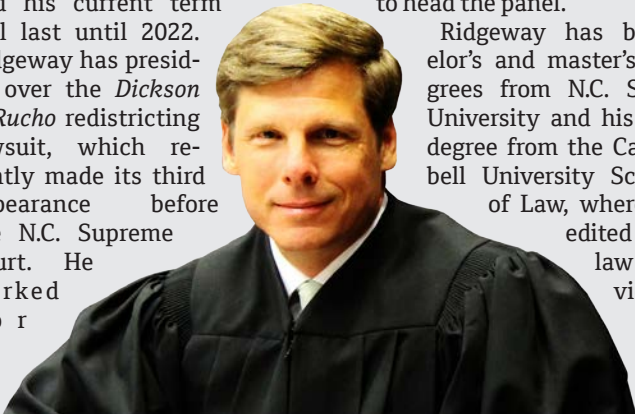
the firm of Everett, Gaskins, Hancock, & Stevens for 20 years before his election.

In his role as Superior Court judge, Ridgeway has presided over cases in more than 40 counties in North Carolina. He has adjudicated constitutional matters across the state.

As senior resident, Ridgeway will have administrative responsibilities for the district. He will hold seniority over his colleagues on the court.

In redistricting challenges, the Wake County senior resident judge is supposed to preside over the three-judge panel, unless he is a former member of the General Assembly or otherwise unable to do so. In either instance, the chief justice will pick another resident Superior Court judge to head the panel.

Ridgeway has bachelor's and master's degrees from N.C. State University and his law degree from the Campbell University School of Law, where he edited the law review.



HOUSTON, TEXAS. Cars submerged after Hurricane Harvey.

Treasurer assesses likely impact of Harvey, Irma on investments

Insurance companies will take a big hit from Hurricanes Harvey and Irma, but that shouldn't hurt North Carolina's retirement system investments.

“We have not seen any remarkable changes in our portfolio values associated with this,” Treasurer Dale Folwell said during his recent monthly Ask Me Anything teleconference with reporters.

“As far as investments are concerned, it's generally rumor followed by news,” Folwell said.

“We're staying the course as far as the investment portfolio is, and nothing big to report.”

Reuters reported that insurance losses could reach \$75 billion from

the two major hurricanes that flooded Houston and a wide swath of southeast Texas in late August, and slammed Florida and other Southeastern states in the following days.

That will result in an industry loss for the year.

North Carolina owns about \$800 million in timber from Washington, D.C., to Ponte Vedra Beach, Florida, “that's been in the doldrums for about 12 years,” Folwell said.

“The pension plan of North Carolina has the wood if anyone might need any,” he said.

The Federal Reserve Board might back off anticipated interest

rate changes while affected states continue to assess hurricane damage and conduct relief efforts, Folwell said.

A rise in interest rates would reduce the value of the retirement system's investment portfolio, Folwell said.

State pension fund assets hit a record \$93.9 billion at the end of the second quarter this year and earned 10.6 percent for the fiscal year ending June 30.

But Folwell said that return wasn't as good as other pension plans of equivalent size, so his Investment Management Division will be turning its focus to asset allocation over the next six months.

Charlotte, RTP going all in to land Amazon's second headquarters

CHARLOTTE AND the Research Triangle Park are joining the growing number of candidates submitting proposals for Amazon's second headquarters.

The tech giant plans to invest \$5 billion for construction and hire up to 50,000 new employees. Proposals are due by Oct. 19, but the company won't announce its choice until next year.

Amazon is the world's largest internet-based retailer and continues to see rapid growth. It recently acquired game-streaming service Twitch and popular upscale grocer Whole Foods. The company's revenue averages in the billions, so it's not surprising dozens of local governments are eager to attract the company.

Amazon is looking to join

the likes of Facebook and Google, which got hefty tax incentives and local subsidies to move to North Carolina. Google opened a data center in Lenoir in 2006 and has received upward of \$262 million in incentives from the General Assembly. Facebook got \$17 million in tax breaks over 10 years as part of a deal to move to Rutherford County, according to the *New York Times*. Both companies benefited from sales and use tax exemptions for data centers, allowing them to buy electricity and equipment without paying sales tax.

The *Charlotte Observer* is reporting on that city's entry into the Amazon sweepstakes. Amazon already has a receiving center inside the city limits, and Char-

lotte-Douglas International Airport acts as a hub for Amazon's Prime Air cargo planes.

Given the tax breaks and incentives, the deal may make little sense.

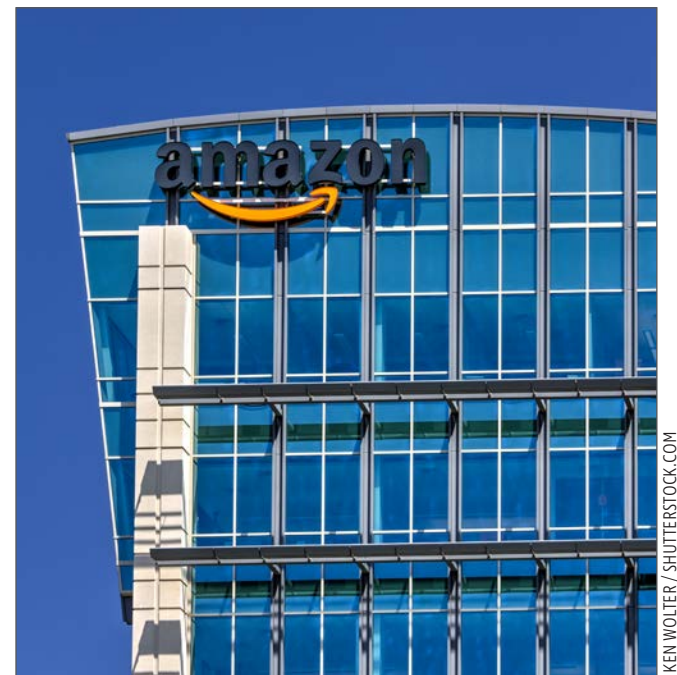
“Amazon's success owes to many things, but it also is tremendously helped by one strategy in particular: getting governments to pay Amazon dearly for the privilege of saying, ‘Look at us,’” said Jon Sanders, director of regulatory studies at the John Locke Foundation. “In other words, Amazon has a major competitive advantage in rent-seeking.”

Sanders describes rent-seeking as “spending some of your resources to capture others' resources without producing anything of value to them.”

In its announcement, Amazon says tax credits, relocation grants, and other incentives would help the company decide where to move. Essentially, it outlines what goodies local governments should roll out to attract the tech giant.

Sanders advises against bidding for a specific business but instead suggests creating an environment in which a variety of businesses can flourish.

“The bidding is sure to get out of hand quickly. It's inevitable that whoever ‘wins’ will overpay,” Sanders said. “Removing unnecessary government impediments to small businesses may seem less ‘splashy,’ but it's more helpful to the overall domestic economy and local jobs.”



AMAZON BUILDING IN SANTA CLARA, CALIFORNIA. Charlotte and RTP are joining the growing number of candidates submitting proposals for Amazon's second headquarters.

STATE GOVERNMENT

Locke scholar calls North Carolina entry into U.S. Climate Alliance ‘virtue signaling’

BY DAN WAY

Gov. Roy Cooper says North Carolina would join 13 states and Puerto Rico in the U.S. Climate Alliance, a coalition opposed to President Trump's withdrawal from the Paris Agreement on climate change.

The goal is reducing their states' share of U.S. greenhouse gas emissions to hit Paris Agreement targets. All but two of the member states have Democratic governors.

"In the absence of leadership from Washington, North Carolina is proud to join the U.S. Climate Alliance, and we remain committed to reducing pollution and protecting our environment," Cooper said in a press release Sept. 20.

"Clean air and a healthy environment are vital for a strong economy and a healthier future," Cooper said. "So much of North Carolina's economy relies on protecting our treasured natural resources, and I'm committed to maintaining the quality of the air we breathe for generations to come."

Roy Cordato, senior economist and resident scholar at the John Locke Foundation, isn't impressed.

"This is nothing but virtue signaling on the part of the governor. Nothing he or his alliance with these ... other states will do will have any impact on future tem-



GOV. ROY COOPER. Roy Cordato, senior economist at the John Locke Foundation, called the governor's actions 'virtue signaling'.

peratures," Cordato said.

"Given that that's the case, this is nothing more than signaling to his fellow Democratic governors that he's a good guy just like they are," Cordato said.

Shelly Carver, a spokeswoman for Senate leader Phil Berger, R-Rockingham, said the state has increased reliance on clean-burning natural gas to meet energy needs as it lowered the use of coal and has steadily reduced its greenhouse gas emissions for years.

North Carolina's energy actions already are expected to meet Paris Agreement reduction goals "without further regulation, and regard-

less of whether the governor signs on to a meaningless coalition to try to score political points with his base," Carver said.

Meeting the Paris Agreement goals could cost the U.S. economy \$3 trillion and 6.5 million industrial-sector jobs by 2040, according to research by National Economics Research Associates Economic Consulting.

If all Paris Agreement commitments were followed, global temperature would fall by a mere 0.306 degrees Fahrenheit by 2100, according to a peer-reviewed paper by climate skeptic Bjorn Lomborg.

The Paris Agreement was vol-

untary and lacked enforcement mechanisms to ensure participating countries would stick to their commitments.

Signatory nations could set their own reduction goals, which allowed China, the world's largest producer of greenhouse gases, to shun any reduction pledge until 2030.

Cooper said a U.S. Climate Alliance report found its member states are collectively on track to meet, and possibly exceed, their portion of the U.S. commitment.

According to the report:

- Climate Alliance states are on track to reach a 24 to 29 percent reduction in emissions by 2025, fulfilling their contribution to Paris Agreement targets.
- Between 2005 and 2015 Alliance states reduced greenhouse gas emissions by 15 percent (compared to a 10 percent reduction by the rest of the country).
- During that same decade, the combined economic output of Alliance states grew by 14 percent. (The rest of the country grew by 12 percent.) On a per-capita basis, economic output in Alliance states expanded twice as fast as in the rest of the country, showing that climate action and econom-

ic growth go hand in hand.

Cooper noted that he signed into law House Bill 589, Competitive Energy Solutions for North Carolina, which could roughly double North Carolina's solar generation over the next four years.

North Carolina has the second-highest volume of installed solar capacity of all states. Cooper credits a range of state policies, including the N.C. Renewable Energy and Energy Efficiency Portfolio Standard.

REPS requires investor-owned electric utilities to source 12.5 percent of their energy needs through renewable energy or energy efficiency measures by 2021.

Critics say REPS forces utilities to buy more costly solar power, and that expense is pushed onto consumers.

State policies Cooper hailed as helping to expand the solar market include a federal PURPA law. Under the state's implementation, PURPA extended some of the nation's most generous provisions to solar developers, with taxpayers left picking up the higher costs.

In addition to North Carolina, the bipartisan U.S. Climate Alliance includes California, Colorado, Connecticut, Delaware, Hawaii, Massachusetts, Minnesota, New York, Oregon, Puerto Rico, Rhode Island, Vermont, Virginia and Washington.

Teacher absences bigger problem in public schools than charter schools, study finds

CJ STAFF

Chronic absences are a problem in North Carolina's traditional public schools. Among teachers, not students.

The Thomas B. Fordham Institute, a conservative education policy think tank, released a study finding rates of chronic absenteeism by teachers in traditional public schools is nearly three times more than those of public charter school teachers.

The study, "Teacher Absenteeism in Charter and Traditional Public Schools," compiled data on teacher absences from the U.S. Department of Education's Office of Civil Rights and the National Alliance for Public Charter Schools. OCR defines chronic absenteeism as missing more than 10 days in a year for sick or personal leave.

"We begrudge no teacher for taking a 'mental health day' now and again, or needing to be home to care for a sick child of her own,"

David Griffith, a senior research and policy associate at the institute, wrote in the report. "Yet we also know that teachers are the single most powerful instrument that schools have to boost student learning. When teachers miss school, students miss out on education."

North Carolina is one of 12 states where chronic absenteeism at traditional public schools is at least double the rate of charter schools. Specifically, 34.6 percent of traditional public school teachers are chronically absent in North Carolina, compared with 12.8 percent of charter school teachers.

According to the report, the chronic absenteeism gap between charter schools and traditional public schools is largest in states where school districts must engage in collective bargaining. Furthermore, absenteeism rates in unionized charter schools are double those of nonunionized charters.

Several factors contribute to

North Carolina is one of 12 states where chronic absenteeism at traditional public schools is at least double the rate of charter schools.

chronic teacher absenteeism, including:

- whether a teacher must notify her principal of future absences;
- if teachers can cash in or sell back unused sick days at the end of the school year; and
- whether teachers have tenure.

Griffith said school district policies and state laws may also have an effect.

"Although this study is descriptive, the patterns it highlights certainly suggest that the high chronic absenteeism rates we observe for teachers in traditional public schools are at least partly attributable to the generous leave policies and myriad job protections enshrined in state laws and local collective bargaining agreements," Griffith argued.

The N.C. Association of Educators did not take kindly to the study.

"Fordham is a biased organization that is driven by an anti-student agenda with anti-public education funders," Mark Jewell, president of NCAE, said to *The News & Observer*. "The funders are the same organizations trying to dismantle public education in North Carolina through private school voucher schemes and for-profit management organizations."

Griffith pointed out in an email to *Carolina Journal* the data used in

the study is publicly available and has not been manipulated in any way.

"As a former teacher, I find it deeply concerning that 35 percent of teachers in North Carolina's traditional public schools miss more than two weeks of school per year," Griffith said. "North Carolina parents can draw their own conclusions about who is 'anti-student' and who is standing up for kids."

Rhonda Dillingham, executive director of the N.C. Association for Public Charter Schools, said the study results were not surprising.

"When schools employ professionals who understand and buy in to the school's mission, students are the ultimate beneficiaries of a rich educational environment," Dillingham said. "These teachers tend to be invested wholeheartedly in the success of their schools, so they want to be there every day to do their part in fulfilling the school's vision."

HEALTH CARE

Partnership of health care giants raises concern over antitrust issues

BY DAN WAY

Federal regulators are getting increasingly uneasy with proposals such as a partnership involving UNC Health Care and Carolinas HealthCare System. Such arrangements, critics say, inhibit competition and raise the potential for antitrust violations.

Devon Herrick, a health economist and policy adviser to the Heartland Institute in Illinois, got straight to the point.

"It's not really a good thing. It's antitrust," Herrick said. "It's all a big, grand conspiracy, in my opinion." Moves such as this give the hospital industry power to increase its hold on the health care market and extract more money due to dwindling competition, he said.

Herrick said hospital joint operating agreements are becoming increasingly common nationally. The Federal Trade Commission worries that trend and another — big hospitals buying smaller ones — make it more difficult for smaller hospitals to exist, denying consumers more choice.

The FTC evaluates partnership proposals for antitrust violations, Herrick said. The Internal Revenue Service also has guidelines that must be met.

But it's unclear whether state political leaders are wary of the proposal.

Senate leader Phil Berger, R-Rockingham, was notified of the latest partnership plan, but spokeswoman Shelly Carver said the senator hasn't seen additional details and wouldn't feel comfortable commenting.



FEDERAL TRADE COMMISSION. A partnership involving UNC Health Care and Carolinas HealthCare System raises the potential for antitrust violations.

House Speaker Tim Moore, R-Cleveland, and Gov. Roy Cooper did not respond to requests for comment.

UNC Health Care is a state-owned entity with a statewide presence. Carolinas HealthCare is a regional government organization also known as Charlotte-Mecklenburg Hospital Authority. It operates in North Carolina and South Carolina, has the largest hospital system in the state, and is one of the largest public hospital systems in the nation.

The two organizations announced Aug. 31 their intention to create "one of the leading nonprofit health care systems in the nation" under a joint operating agreement.

A letter of intent was signed Aug. 30 giving the prospective partners 180 days to examine such things as organizational, financial, and legal implications and real estate. The due diligence period can be extended if needed.

Under the proposal, a joint operating company would be created, and each hospital system would appoint board members. Dr. William Roper, CEO of UNC Health Care, would be executive chairman. Gene Woods, CEO of Carolinas HealthCare, would be CEO of the new entity.

The hospital systems would retain their own governing boards and ownership of their real estate and assets. Staffs would remain

under their current employers. But the partnership would oversee operation of facilities as an integrated entity "with one management team, one strategy, one budget, and one vision," says the letter of intent.

The governing boards of UNC Health Care and Carolinas HealthCare System must approve the partnership, UNC Health Care spokesman Phil Bridges said.

"We will continue to respond to legal and regulatory questions that may arise, but we do not expect any barriers," Bridges said.

UNC and Carolinas HealthCare did not request approval from the state attorney general's Office.

"We will review the transaction to see if there are potential antitrust or nonprofit-related concerns under North Carolina law," said Laura Brewer, a spokeswoman for Attorney General Josh Stein. "There's no specific timeline or approval process."

The state Department of Health and Human Services might need to sign off on certificate-of-need regulations.

"At this stage, DHHS is not involved in the approval process," DHHS spokesman Cobey Culton said.

North Carolina has 25 CON regulations that govern actions such as hospital expansions and the purchase of expensive medical equipment.

"Certificate of need is a way to protect incumbent hospital systems," Herrick said. "Letting them have joint operating agreements further consolidates the industry, and protects them from competi-

tion, which is not good for consumers."

Herrick said hospitals promote joint operating agreements with claims that they improve rural health care. He doesn't believe that they live up to the hype or that financial benefits trickle down.

He speculated the hospital systems are spending large amounts of money on legal consulting fees to navigate the approval process.

"Economic theory suggests you wouldn't do that unless there was a return on investment," Herrick said. He believes joint operating agreements allow hospital systems to gain the increased profits of a merger without having to give up ownership, and the result is anti-consumer consolidation of the market.

Julie Henry, spokeswoman for the North Carolina Hospital Association, said most hospitals in North Carolina are either owned or managed by systems. Alliances between systems allow rising costs to be shared. That is especially vital in rural communities where health systems are the primary medical providers.

Henry didn't address directly the question of whether approval of this alliance might spur other systems to follow suit.

"Health system partnerships and alignment are a strategy to enhance the value that the provider community creates for the people and geography they serve," Henry said. "This value is created through best-practice sharing, creating economies of scale, and by creating new clinical synergy and expansion of services."

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HEALTH CARE

Repealing N.C. CON laws would cut costs, boost access, study says



MORE OPTIONS, LOWER-COST TREATMENT. Peer-reviewed report by Mercatus Center concludes CON repeal also would reduce mortality rates.

BY DAN WAY

A typical North Carolina medical patient would save nearly \$300 a year and have more competitive options for lower-cost treatment if outdated regulations didn't exist, research shows.

Matt Mitchell, a senior research fellow and director of the Project for the Study of American Capitalism at the Mercatus Center at George Mason University, said North Carolina would have more hospitals, even in rural areas, if the state repealed certificate-of-need laws.

That finding contradicts objections the North Carolina Hospital Association routinely raises whenever the General Assembly debates proposals to repeal or roll back CON rules.

"They're obviously a pretty concentrated, powerful group," Mitchell said of the hospital association, while CON opponents are generally less well organized or funded.

"Hospitals are falling in number all around the country, but it turns out that they are falling faster in CON states relative to non-CON

states through consolidation and bankruptcy, and just shutting their doors," Mitchell said.

Those standing to gain the most from an end to CON laws are patients and taxpayers who would find more treatment options at lower cost, along with health-care entrepreneurs who want to open new facilities.

Mitchell said a Mercatus Center research team combined the results of several previous studies to come up with peer-reviewed findings. The studies compared the impact of North Carolina's CON laws with outcomes in 15 states without those laws.

North Carolina imposes 25 CON restrictions. It's one of 32 states with four or more CON regulations. Health-care providers cannot open or expand facilities, or buy certain equipment unless they undergo a time-consuming, rigorous application process. Existing health-care providers get to decide whether they need competition.

If the state did not impose CON regulations, health-care spending per capita would be \$213 lower annually relative to states without CON, and savings on physician spending would be \$73, the North

Carolina study determined.

Mitchell said the findings overall were statistically significant and most likely not random. CON advocates say the regulations lead to better health outcomes, lower costs, and more options for poor and rural patients.

"It appears to be a repackaged consolidation of some of their previous reports. We have questions about the conclusions drawn, especially the contention that changes to CON would result in more hospitals and [ambulatory surgical centers] in rural communities. In the average rural North Carolina hospital, 75 percent of patients are covered by Medicaid or Medicare, or are uninsured, which already threatens the viability of existing hospitals," hospital association spokeswoman Julie Henry said in an email.

Mitchell cautioned that repealing all CON laws would not immediately deliver the benefits suggested in the study. Time to build and staff new facilities would be needed, for example.

Still, he said, lawmakers should read the study, and not just listen to the market insiders seeking to protect their turf.

▲ **42%**

HOSPITALS

North Carolina would have 187 hospitals instead of 132.

▲ **43%**

RURAL HOSPITALS

North Carolina could support 80 rural hospitals instead of 56.

▲ **16%**

SURGERY CENTERS

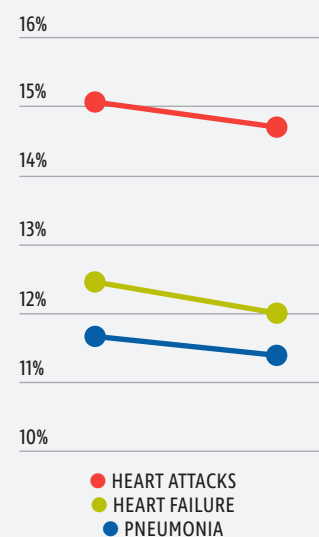
North Carolina would have 99 ambulatory surgery centers instead of 85.

▲ **18%**

RURAL SURGERY CENTERS

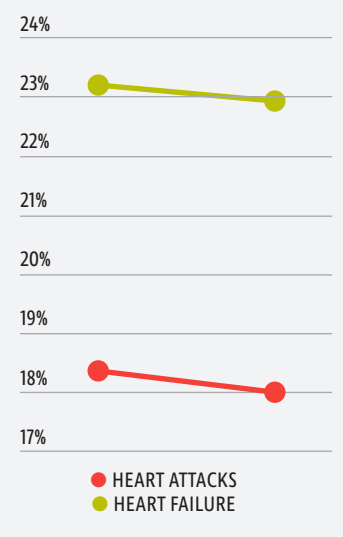
North Carolina would have 13 rural ambulatory surgery centers instead of 11.

Mortality Rates After Repeal of CON Law



SOURCE: Mercatus Center

Readmission Rates After Repeal of CON Law



SOURCE: Mercatus Center

AMONG THE STUDY'S OTHER CONCLUSIONS

Overall death rates from post-surgery complications would fall by 5.3 percent.

The number of non-hospital medical imaging providers would rise to 131,925 from 96,760.

Non-hospital PET (positron emission tomography) scanning devices would increase from 20 to 36.

The percentage of patients who would need to leave their home counties to get diagnostic scans would go down as well — by 5.5 percent for an MRI; 3.6 percent for a CT scan; and 3.7 percent for a PET scan.

EDUCATION

School scores show continued progress overall, low-income schools still lagging

BY LINDSAY MARCHELLO

The State Board of Education released a slew of data during its September board meeting, and while the numbers show higher graduation rates and overall improvement in school performance, significant challenges over low performers and poverty rates remain.

Nearly every school in North Carolina each year receives a letter grade — ranging from A to F — based on student achievement and growth.

The majority of all schools earned a C or higher, with 3.5 percent getting the highest grade — A +NG. A +NG schools don't have a significant achievement or graduation gap. Only 3.8 percent of schools earned an A. Schools with a B grade made up 28.5 percent of all schools; 41.6 percent got a C.

On the other end of the grading scale, 18.7 percent of schools earned a D and 4 percent got an F. The number of schools getting both grades dropped from last year, while schools scoring a B or higher increased.

Public charter schools had a higher percentage of A/A +NG and B grades, totaling 43.9 percent compared to 35.2 percent of district schools. But charter schools also had a higher share of D and F grades — 25.2 percent compared to 22.5 percent of district schools.

Public schools set a record graduation rate for the 12th consecutive year: 86.5 percent of students graduated within four years of entering ninth grade. That percentage rose from 85.9 percent for the 2015-16 school year.

"The graduation rate is at an all-time high, and the school letter grades continue to give parents an easy-to-understand way to chart progress and compare schools," Bill Cobey, chairman of the State Board of Education, said in a statement.

State Superintendent of Public Instruction Mark Johnson echoed Cobey.

"It's great news that the top-line trends are in the right direction. We can all be proud, for instance, that most schools meet or exceed growth," Johnson said. "But deeper into the data, the results show stubborn concerns that call out for innovative approaches."

While graduation rates and school performance grades improved, the number of low-per-



GRADUATION RATES ON THE RISE. Public schools set a record graduation rate for the 12th consecutive year: 86.5 percent of students graduated within four years of entering ninth grade. That percentage rose from 85.9 percent for the 2015-16 school year.

forming schools and districts also increased. The number of high school students meeting the ACT benchmark fell from 59.9 percent to 58.8 percent.

"What is worrisome is how few North Carolina graduates met ACT benchmarks in English, reading, math, and science," Terry Stoops, vice president for research and director of education studies at the John Locke Foundation, said in a blog post.

In the 2015-16 school year, 489 schools and 10 districts were identified as low-performing. Of the 489 schools, 415 were designated as recurring low-performing schools. In 2016-17, the ranks of low-performing schools rose to 505, and low-performing districts to 11. Recurring low-performing schools totaled 468.

A connection involving poverty rates and low-performing schools continues. Schools with 50 percent or more of their students living at or below the poverty line earned more C's, D's, and F's



Schools with 50 percent or more of their students living at or below the poverty line earned more Cs, Ds, and Fs than schools with students from homes with higher incomes.

than schools with students from homes with higher incomes.

"My hope is that schools are using their grades as a basis to judge their performance and look for ways to improve, but I don't know if that is happening," Stoops said. "Instead what is happening is schools are simply using the poverty cop-out."

Stoops questioned the purpose of including poverty rates in the

school performance grade report.

"It begs the question: Why did the DPI staff feel it was necessary to draw a comparison between the school grades and poverty, and not compare any other variable that may have been even more correlated?" Stoops asked. "DPI is simply giving low-performing schools a ready-made excuse by drawing a comparison between poverty and school grades."

Stoops criticized the inclusion of the comparison. He argued that it fuels complaints the grades are nothing more than an indicator of poverty.

"DPI researchers could have examined the relationship between school grades and teacher and administrator effectiveness measures, resource allocation, and other school-based variables," Stoops explained.

Some SBE members, including Lisa Godwin, the N.C. teacher of the year, call for more money to help low-performing schools.

"There are great teachers in

North Carolina, but we don't have the resources in so many of our schools, we don't have the professional development because there is no money for professional development," Godwin said at the September meeting. "I'm just urging the legislators to hear my cry and from teachers across the state that we need help to help our children."

The General Assembly launched a new strategy in 2016 to help low-performing schools. The Innovative School District gives control of some of North Carolina's lowest-performing schools for five years to charter school management.

Eric Hall, the Innovative School District superintendent, initially revealed 48 schools that qualify for the program. Hall continues to narrow the list. The board will pick schools by December.

"We've got to use this as an opportunity to start partnering and collaborating in ways that we have not done before," Hall said.

HIGHER EDUCATION

UNC chancellor: Reputations are at stake

Fight over UNC civil rights center ends, but tensions remain high

BY KARI TRAVIS

CHAPEL HILL — A six-month battle over the UNC-Chapel Hill School of Law's Center for Civil Rights has ended, but the fight has left relationships among the UNC Board of Governors and advocates for the civil rights center in ruins.

The board voted 19-3 in September to end the center's ability to file lawsuits.

The rule applies to academic centers connected to other UNC campuses, although the decision excludes law clinics, which provide pro bono legal services to low-income clients.

The policy provokes more of the sharp public criticism that began with the election of UNC President Margaret Spellings in 2015.

Accusations about secret votes, a lack of transparency, and partisanship have plagued the board for nearly two years. Students and faculty have interrupted board meetings with rowdy protests.

In 2016, the board opened doors to more public input. Every board meeting is broadcast live via UNC-TV, and members regularly host public comment sessions.

Still, tensions run high.

Reputations are at stake, now more than ever, said UNC-Chapel Hill Chancellor Carol Folt.

University administrators and professors across the nation sent Folt hundreds of letters in support of the CCR.

The board, Folt said, made the wrong decision.

"I believe the university and the people who testified on behalf of the center made a compelling case about why the center is so important to the people of our state."

The board considered testimony at a public comment session in May. Members got hundreds of emails about the policy.

CCR Executive Director Ted Shaw told a crowd of reporters the decision, made by a predominantly Republican board, was a political move to shutter the left-leaning organization.

Board member Steve Long introduced the policy in March.

Shaw has called Long a "moving assassin" who disregards civil rights. But, Long said, the decision wasn't about politics.

"This is not a vendetta, and my position would be the same whether the center was liberal, conserva-



UNC PRESIDENT MARGARET SPELLINGS. Becoming an American Bar Association-approved legal clinic is a reasonable option for the UNC Center of Civil Rights, said UNC President Margaret Spellings at a press conference.



MARK DOROSIN AND PROTESTERS. UNC Center for Civil Rights managing attorney Mark Dorosin speaks with protesters outside a Sept. 8 meeting of the UNC Board of Governors.

tive, or moderate," Long told *Carolina Journal* in May. "And I have said that to [Shaw]."

"But I can say it until I'm blue in the face," Long added. "I would feel the same way about any center that should not hire a full-time lawyer to litigate against cities and counties."

The civil rights center was founded in 2001 by Julius Chambers, a famed civil rights lawyer and former chancellor of N.C. Central University.

CCR lawyers advocated for poor and minority communities, filing lawsuits against cities, counties, and even school boards.

But the center is a research organization, not a law firm, Long says. And though CCR leaders say their work provides hands-on education for law students, the organization isn't registered as a legal clinic under the American Bar Association.

That's a problem, he said, as the center is part of UNC but is techni-

cally exempt from abiding by ABA guidelines when entering lawsuits.

A handful of board members disagreed with Long.

Anna Nelson, who fielded debate while chairing the board's education policy committee, voted against the policy.

"For me, regardless of which side you stand on, there is something larger at stake ... the university itself," she said.

Student member Tyler Hardin, who can't vote, said he would have

red-lighted the policy.

Board newcomer Darrell Allison — citing his close relationship with Chambers — abstained.

The policy change won't leave low-income North Carolinians without options, board chairman Lou Bissette said. At least 14 legal clinics within the UNC Law School offer pro-bono representation.

The board would support another legal clinic if the school wants to add one.

A new law clinic may be a reasonable, albeit costly, option, Folt said in a proposal to the board.

"We do represent low-income and minority citizens in our law clinics. They don't get a lot of headlines, but there is real work done there," Long said.

The board supports the center — which receives no state funding and is located off-campus — and nothing about the policy change is designed to harm its research functions, Bissette said.

"I don't understand how you can say you support the Center for Civil Rights when you just voted to shut it down," managing attorney Mark Dorosin shouted at Bissette after the vote.

"You're out of order," a board member said, after which Dorosin responded, "You're out of order! ... To say that you support civil rights is out of order!"

CCR staffers are open to converting the center into an ABA law clinic or ending its affiliation with UNC. Otherwise, the organization will close, Dorosin said after leaving the meeting.

The ABA reviewed the center's work and found no issues with its operations, he said.

"This is not about form," Dorosin said. "This is about substance. The people who are attacking the center and who just did their dirty work would not sit quietly if the center were a clinical program."

"And so I have no doubt that would not end this whole issue."

A state entity shouldn't have the ability to sue cities, counties, or school boards, Bissette said.

The primary objective of a law clinic is education, not lawsuits, Spellings said.

When challenged on whether she thought the board's policy would mean less protection for civil rights, Spellings raised her eyebrows and shook her head.

"I don't think we can understand that's true at all. It's too soon to assert that."

"If we're sitting here a year from now, we're very likely to see the same kind of work happening under the banner of a law clinic," she said.

CI PHOTO BY KARI TRAVIS

CI PHOTO BY KARI TRAVIS

LOCAL GOVERNMENT

Proponents of High Point stadium continue to rally for plan

BY SAM A. HIEB

GREENSBORO — High Point leaders will press ahead with plans to build a \$35 million downtown stadium in spite of the Guilford County Board of Commissioners' vote to table a decision on whether to support the project.

"With the commissioners' decision to delay the vote, the City Council will have to evaluate its options. So we'll see," High Point Mayor Bill Bencini told *CJ* after the Sept. 21 commissioners meeting.

But the council soon voted 8-1 to direct city staff to formulate a plan to finance the stadium without county support. The details of that plan have yet to be worked out.

The lone "no" vote was council member Cynthia Davis, who consistently has questioned the city's financing plan. In a phone interview with *CJ*, Davis criticized the "flying by the seat of our pants" process.

"If you didn't have the solid footing that the county could approve, you'd have a solid backup plan," Davis told *CJ*. "I've never seen anything like this in my life."

The hope of Bencini and many stadium advocates — who rode a chartered bus from High Point to Greensboro to voice their support — was that commissioners would sign off on a stadium financing plan.

Plans call for the stadium to house an independent Atlantic League baseball team, with the first pitch tentatively slated for 2019.

High Point University president Nido Qubein has led an effort to raise \$50 million in

private development — which would include hotels and apartments — within the proposed 649-acre TIF district surrounding the stadium site.

TIF refers to tax-increment financing, a subsidy that eases the tax burden for a company with the idea of using that money to develop a community or site.

But High Point needed commissioners' support to borrow the money that would ostensibly be paid back with the increased tax revenue from the new development. Commissioners first expressed skepticism during the Sept. 7 meeting after they were presented with a spreadsheet documenting the proposed district's 11 percent decline in tax value since 2008.

Some commissioners argued the 11 percent figure was skewed due to the inclusion of properties that aren't taxed, such as churches, High Point Regional Hospital, and property owned by the city.

Commissioner Hank Henning chastised county officials for "sloppy" work.

"The numbers they're using to start this conversation are completely inadequate," he said.

Commissioners became more conciliatory after Sept. 21, saying they wanted the project to succeed. But more homework was required.

"High Point does need this, and I support the project in principle," Henning said. "But we have to have time to do our due diligence."

"I hope High Point leaders will take this opportunity for a rest," said Commissioner



Artist rendering of proposed High Point stadium complex.

Justin Conrad, who had also questioned the numbers supporting the project.

With these questions in mind, Commissioner Skip Alston moved to table the issue 60 to 90 days.

"I think the board can get to a 'yes,' but you don't want us to vote tonight because it will be an overwhelming 'no,'" Alston told supporters in the audience. "But we will get to a 'yes.' I believe we will."

While Bencini didn't address commissioners during the public hearing, High Point City Council member Jay Wagner and mayoral candidate Bruce Davis expressed their support.

"Make no mistake about it — I understand

the gravity of decision you have to make," said Davis, a former Guilford County commissioner. "Please think about the fact that you have the power to change the outlook of a city. Let's come together and do something that will benefit the entire county."

Opponents did not question the project itself—just the fact that taxpayers could potentially be on the hook.

"If the stadium works, great. But why is it the role of government to build a stadium?" asked High Point resident Jeremy Williams.

Following discussion and debate, commissioners voted 8-1 to approve Alston's motion tabling the issue, with Carlvena Foster — who represents High Point — casting the lone "no" vote.

"The citizens of High Point have said loud and clear they want this catalyst project," Foster said.

The John Locke Foundation has consistently questioned using public financing for stadiums and entertainment venues. It also questions tax increment financing.

"Advocates say TIFs do not impose a burden on taxpayers. In reality, they have no cost in the same way that having withholding taxes from your paycheck has no cost. The money used to pay the debt service is not available for other needed services, even in the TIF district itself," wrote Joseph Coletti, JLF's senior fellow for fiscal policy, in an analysis of tax increment financing. "Taxpayers are just as exposed to the costs, which are higher than with other forms of debt."



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ENTREPRENEURSHIP



EXPANDING. Franchise founders Hansel Lynn (left) and Wayne Teng at the opening of Mehul Shah's Cary-based theCoderSchool.

PHOTO COURTESY OF THECODERSCHOOL

Enter the code

For-profit coding boot camps looking to fill computer skills gap

BY KARI TRAVIS

RALEIGH — Move over, piano teachers. Take the bench, soccer coaches. Computer coding is on the rise as an after-school activity for Raleigh's K-12 students.

In recent years, coding has become associated with the infamous "skills gap," and for good reason. More than 1 million tech jobs will go unfilled by 2020, according to

data from the U.S. Bureau of Labor Statistics. Additionally, the National Center for Education Statistics reports fewer than 3 percent of U.S. college graduates leave school with a degree in computer science.

One solution may be for-profit coding boot camps, which became popular in 2012. These programs promise adults entry into programming careers and cost an average of \$12,000 for 12 weeks. A handful of boot camps have closed, leaving skeptics to wonder whether the market can sustain the schools. But some programs are successful, and industry growth requires failure, a handful of experts say.

While coding boot camps redirect adults into programming careers, K-12 schools face their own challenges with science, technology, engineering, and math classes.



Tech education is lacking in North Carolina's public schools, and the state must recruit more STEM teachers, lawmakers say.

Tech education is lacking in North Carolina's public schools, and the state must recruit more STEM teachers, lawmakers say. Legislators have solutions in the works, including a program designed to draw STEM experts to rural schools. While parents wait for the system to catch up, private coding lessons offer another option.

Coding isn't just for aspiring software developers. The tech language is a practical skill as necessary as public speaking or math, say three entrepreneurs behind one of Raleigh's newest coding schools for kids.

TheCoderSchool is much like a taekwondo or ballet studio, minus the sparring and dancing, said owner Mehul Shah. Kids who attend develop discipline, grow good communication skills, and, most important, learn about critical thinking and problem solving.

Shah, who opened his first CoderSchool franchise in Cary last year, hatched the idea while teaching his own children to code.

"They were picking it up quick," he said. "My wife was staying home, so we were looking for something else to do. So, I thought, 'OK,

maybe we should look into starting a little coding school.'"

Shah discovered theCoderSchool, a franchise based in Silicon Valley.

TheCoderSchool was founded in 2014 by Wayne Teng and Hansel Lynn, two entrepreneurs who built their first school in Palo Alto, California.

Last year the company opened its first franchise in California. The enterprise has since grown to 16 schools spread across Georgia, Massachusetts, New York, Texas, Washington, and North Carolina.

Shah officially opened Sept. 9 in Raleigh and has plans for several more schools around the Triangle over the next few years. That expansion makes North Carolina the

continued PAGE 11

ENTREPRENEURSHIP

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franchise's fastest growing hub outside California.

The idea for theCoderSchool sprouted after Lynn, who worked in software and founded a handful of other businesses, tried to teach his daughter the basics of code.

"I got her one of those online classes, and she went through it super fast. I was like, 'Wow, you must be a natural!' And she said, 'I have no idea what I just did.'"

That's when Lynn reached out to his best friend, Teng.

"We were doing other software jobs, and none of them had that feel of really having an impact," Teng said. "Even if you help one kid learn to code and that betters their life, it's an amazing feeling."

The business took off.

In an era in which bootcamps promise adults careers in coding, Lynn and Teng's franchise takes a different approach.

Kids who come to theCoderSchool aren't expected to grow up and become web developers or software designers, Teng said. If anything, a basic knowledge of coding is simply a necessary part of life.

Small business owners, lawyers, artists, athletes, and even doctors can benefit from knowing how to code, Shah said. Social media, computing, and analytics are now integrated into most jobs.

"One of the things that I do is design hardware. But I still have to learn how to code," he said.

TheCoderSchool's curriculum is flexible, tailored to a student's personal learning style, Shah said.



MEHUL SHAH, owner of Raleigh's new theCoderSchool, opened his Cary academy in 2016. He plans to break ground on a handful of similar schools over the next three or four years.



FILLING THE SKILLS GAP. Wayne Teng and Hansel Lynn launched theCoderSchool franchise in 2014. Shown here: Teng helps train franchise partners at theCoderSchool in Raleigh.

BY THE NUMBERS

15,877

The number of current open computing jobs in North Carolina

1,284

The number of computer science graduates in North Carolina in 2015

When first enrolled, kids between the ages of 7 and 18 learn the basics. It's about building a foundation, Teng said. As soon as a student understands the framework, he or she chooses a project. Some build websites. Others dive into video game design. Tutors design lessons so that students can advance at their own pace.

Shah recommends students spend one to two hours a week at theCoderSchool working with an instructor. Kids should practice their skills at home, just as they would if taking music or art.

Lessons at theCoderSchool are

priced based on the market and run between \$40 and \$50 an hour at Shah's Raleigh and Cary locations. Students can take classes for two years or for 10. There's always something new to learn, Lynn said.

"We are still trying to convince the parents that it's not all art and music and sports for after school. There's also coding," he said.

The Raleigh area offers a handful of private, kid-oriented coding programs, including Tech Talent South, Sylvan Learning of Raleigh, and summer camps at N.C. State University.

The market has plenty of room for more schools, Lynn said, as coding is fast becoming a standard requirement on any resume.

"The market can only go up," Lynn said. "We're going to get more technology, not less."

In a world worried about the "skills gap," theCoderSchool is more concerned with challenging kids to become thinkers and problem solvers, Teng said.

Coding is about breaking a problem into parts and tackling it step by step, a skill that stretches across any field, Lynn said.

"It teaches kids that when you come across a problem, you don't panic," he said. "You break it into smaller bits and you work your way up. It's a life skill of understanding that even when something goes wrong, 'It's not a big deal. I can figure this out.'"

Types of code and what they do

HTML/CSS/JavaScript

HTML is the standard markup language for creating web pages and web applications. When combined with CSS and JavaScript, it forms a triad of cornerstone technologies for the World Wide Web. Kids use this to create their own websites.

Scratch/Snap

These block-based programming languages allow kids to learn fundamentals such as variables, loops, and conditions. Both are typically used to build video games.

Python

Python is a high-level programming language for general purpose programming. Relatively intuitive and simple to use, its design philosophy is "easy to read." Kids use it to build games and learn algorithms.

Java

Java is object-oriented programming language for multiple applications. It is intended to let application developers "write once, run anywhere." It's one of the most popular coding languages, particularly for "client-server" web applications. Kids use it to write web applications.

C++

C++ is a general-purpose programming language. It has imperative, object-oriented, and generic programming features. It also provides facilities for low-level memory manipulation. It is designed for system programming with performance, efficiency, and flexibility of use. Kids learn to apply to multiple applications.



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ECONOMY

DOT betting Ocracoke travelers will abandon cars in favor of boat ride

continued from PAGE 1

conomic impact. The TransPark only attracted a small fraction of the projected employment, the Parton Theatre was an economic disaster, and the Megaport never was built.

A DOT-commissioned study estimates initial ridership at 52,000 for a single 100-person vessel making four daily round trips between Hatteras and Ocracoke, and 74,800 for two vessels making four trips.

But DOT decided to buy just one vessel.

On June 6, DOT awarded a \$4.15 million contract for the construction of a 98-passenger ferry vessel, even though it hadn't gotten federal approval to build the necessary infrastructure on federal land.

The Cape Hatteras National Seashore, a division of the National Park Service, approved the project July 11.

The project also calls for an additional \$2.3 million for new docks, new shelter, other infrastructure, and a public ground transportation system at Ocracoke. A federal grant program will provide 80 percent of the initial funding for the project.

The state will pay the rest.

Ocracoke also is accessible by ferry service from Cedar Island and Swan Quarter. The Cedar Island crossing takes two hours, 15 minutes and runs five times a day each way in summer.

The Swan Quarter crossing lasts two hours, 40 minutes and runs four times a day each way in summer.

The Hatteras-Ocracoke project isn't the DOT's first attempt to establish a passenger ferry service. DOT tried but failed to establish a new passenger service between Currituck and Corolla in 2004. *Carolina Journal* stories chronicled the failed project.

Let's start with the latest project on Ocracoke Island, which is part of Hyde County but inaccessible by road.

It can be reached only by three ferry routes, by private boat, or by airplane. The permanent population is fewer than 1,000 but can swell to several thousand in summer.

Hatteras is in Dare County and accessible from Nags Head via N.C. 12.

Life in North Carolina's Outer Banks communities, particularly those south of Nags Head, can be disrupted by nature as well as man-made events.

Storms periodically cause the ocean to wash over portions of N.C. 12, which leads to closures.

In July, a contractor working on the new Bonner Bridge accidentally cut the main underground power



WAITING IN LINE. Travelers in late July line up for the next ferry from Hatteras to Ocracoke. DOT thinks some will leave their cars in Hatteras and take a new passenger ferry.

line, leaving Ocracoke, Hatteras, and the other small villages without electrical power for a week.

CJ talked with several people who worked on Ocracoke about the new ferry service. Many had opinions, but just a few agreed to talk on the record.

Several said most people wouldn't want to leave their cars in Hatteras because they would also have to leave most of their beach gear. Some thought people would scoff at the \$15 fee because the current vehicle ferry is free.

But others thought the passenger ferry was a fine idea. They believed it might increase the number of visitors, who spend money.

Vince O'Neal, who owns the Pony Island Restaurant, sat firmly on the fence.

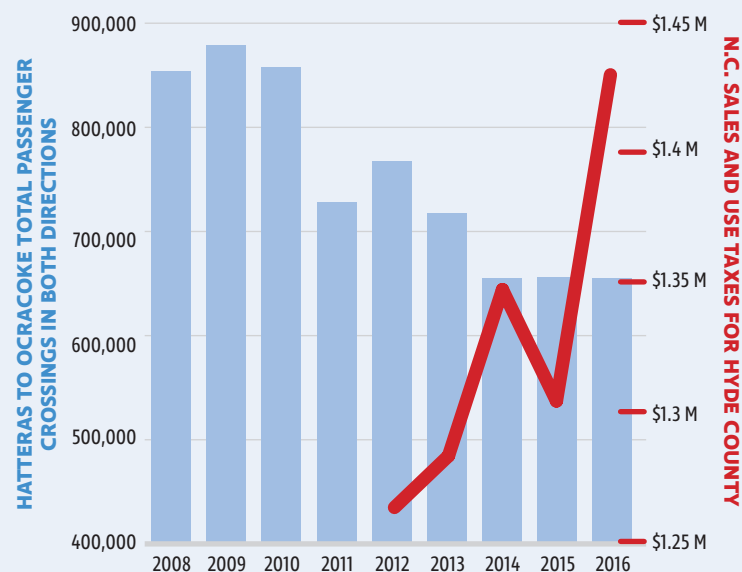
"A passenger ferry might or might not work."

Ann Warner, owner of Howard's Pub, said the passenger ferry would give people another option to travel to Ocracoke. She remains optimistic.

As O'Neal said, "Time will tell."

Passenger Crossings Have Declined But Tax Revenue is Increasing

Total passenger traffic on the current Hatteras to Ocracoke route has declined but if business activity in Hyde County has decreased because of access issues, the decrease isn't reflected in county revenue collections.



SOURCE: NCDOT and Hyde County

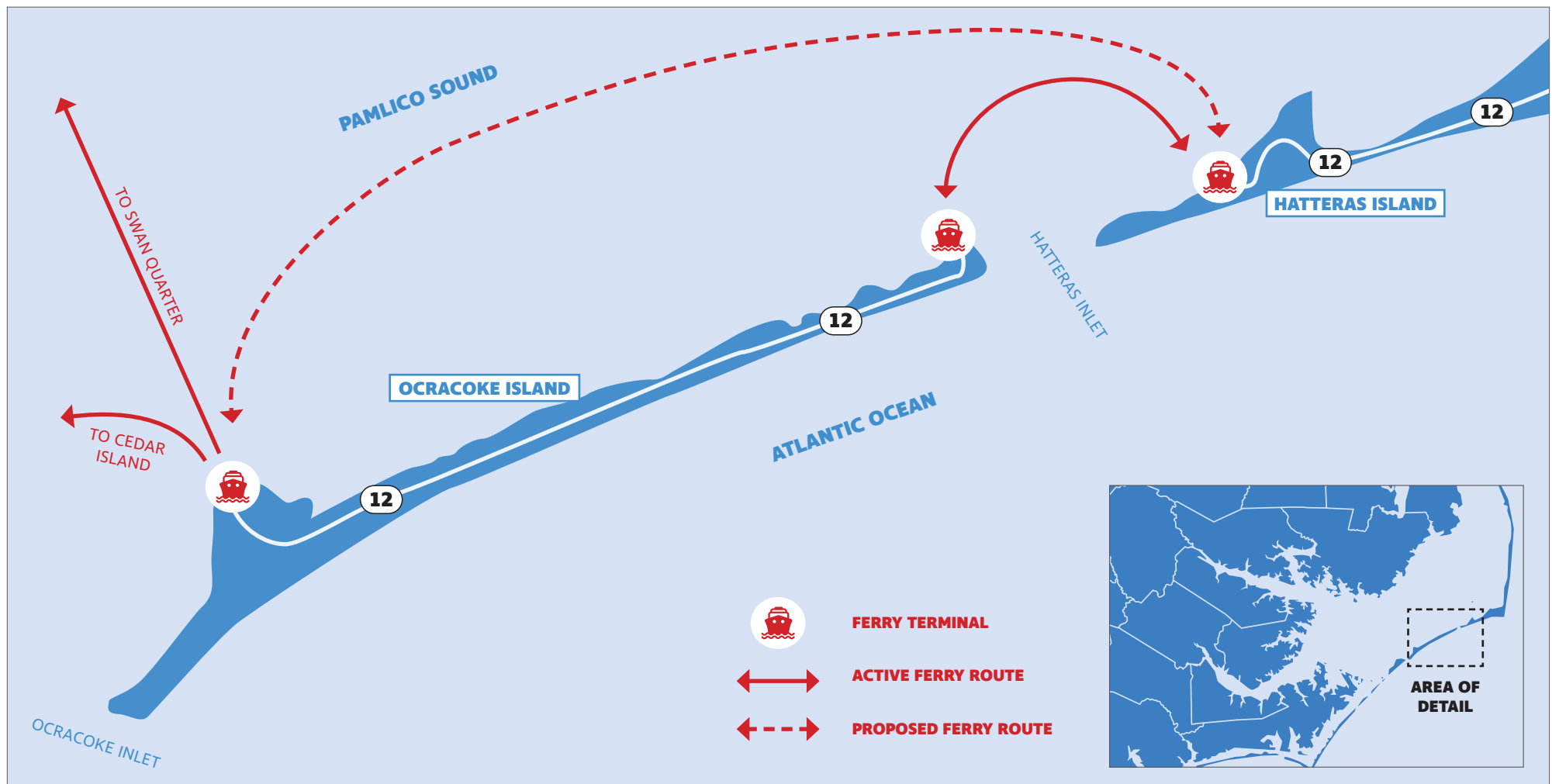
Is business down in Ocracoke?

continued from PAGE 1

approximately \$370,000 in lost tourism expenditures over the course of a season from visitors who arrived at the terminal planning to go to Ocracoke and then decided not to make the trip.

If business activity in Hyde County has decreased because of Ocracoke access issues, the decrease isn't reflected in county revenue collections. Hyde County Finance Director Corinne Gibbs said revenue collections have grown for the past five years, with the exception of fiscal 2015-16, when a major storm struck the area every holiday weekend during the summer season.

ECONOMY



Ferry Division activities

BY DON CARRINGTON

DOT's Ferry Division employs about 400 people and operates 22 vessels on seven ferry routes. The vessels are designed to carry passengers with and without cars, transporting roughly 850,000 vehicles and 2 million people per year. The latest route, established 40 years ago, runs from Swan Quarter to Ocracoke.

The Ferry Division in 2004 tried to establish a passenger service from Currituck to Corolla, but the idea sunk when federal officials determined division employees illegally created a channel to accommodate the ferry vessel at Corolla. One employee was convicted of a crime, and four others took guilty pleas. DOT bought a 50-passenger boat, but it was never in service.

In 2013, shoaling in the Hatteras Inlet forced DOT to use a longer route that increased crossing times from 40 minutes to an hour. The number of crossings in each direction fell from 53 to 36. This led to long lines at ferry terminals, which, the DOT believed, discouraged Outer Banks visitors from making day trips to Ocracoke.

DOT in 2015 formed a study team to examine the issue and

hired infrastructure engineering firm Volkert. The N.C. State University Institute for Transportation Research and Education and the Atkins engineering firm also were involved in the project.

The team developed five alternatives to relieve congestion at Hatteras:

- Return to original channel through additional dredging.
- Add additional vehicle ferry vessels for \$45 million.
- Use charter buses on existing ferry vessels.
- Establish a passenger-only ferry to exiting vehicle ferry docks at Ocracoke.
- Establish passenger-only ferry service from Hatteras to Ocracoke Village.

Interestingly, an option to do nothing wasn't considered.

A survey of potential users revealed only 4 percent said a passenger-only service would be their preferred option to increase access to the island.

The team, though, decided passenger-only service from Hatteras to Ocracoke Village was the best option. The study recommended DOT buy two 100-person ferry vessels to make a total of eight round

trips per day from Hatteras to Ocracoke Village from May through September, at \$15 per person. It also decided Hyde County must establish a loop transit system on Ocracoke using open-sided shuttle buses that seat 16.

The Currituck-Corolla project goes back to 2002. DOT initiated plans for the project soon after the Currituck County Board of Commissioners asked then-Senate President Pro Tem Marc Basnight to help establish a ferry service to transport about 40 schoolchildren from the Outer Banks to the mainland. Students had been attending Dare County schools.

The likely route was 10 to 12 miles across the shallow Currituck Sound. The 2002 budget bill ordered a feasibility study.

Records obtained by *CJ* indicated the project also aimed to transport housekeepers to resort areas.

The project had three main problems. First, the feasibility study submitted to the General Assembly by Ferry Division Director Jerry Gaskill omitted important details about past environmental permitting problems with building a dock at Corolla. The second came when Ferry Division employees, led by supervisor Bill



CONGESTION ISSUES AT HATTERAS. The ferry *W. Stanford White* operates in Hatteras Inlet between Hatteras and Ocracoke Islands.

Moore, illegally dredged a channel at Corolla, which triggered a federal investigation. Problem No. 3 involved a boat purchased for the ferry service, which failed to meet a requirement that it operate in 18 inches of water. Moore and three other employees pleaded guilty to

charges associated with the illegal dredging. Gaskill also was charged, and a jury found him guilty of making a material false statement to a federal agency in the investigation of the illegal dredging.

DOT abandoned the project and eventually sold the boat in 2015.

LOCAL GOVERNMENT

Dillon or home rule? In the end, individual liberty is key



JULIE TISDALE

CITY AND COUNTY POLICY ANALYST
JOHN LOCKE FOUNDATION

In my work on local government, I usually try to avoid going super geeky. After all, there are plenty of ballparks, bike lanes, and local tax issues to write about. But lately the question that keeps popping up in my world is, “Dillon’s rule or home rule?” Despite how boring it sounds, it turns out it’s actually really important.

Dillon’s rule and home rule are the two basic structures of local governments in the United States. Some states follow home rule, meaning local governments have a lot of power to make policy decisions on a wide variety of issues that haven’t been specifically decided at the state level. In contrast, Dillon’s rule says local governments can exercise only authority specifically granted by the state. North Carolina is a Dillon’s rule state. Cities and counties can do only what the state has specifically said they can do. If the state legislature has been silent, then city and county governments have no authority to act.



CITY HALL BUILDING IN WILMINGTON. Individual towns and cities in North Carolina differ greatly. Would we be better off as a home-rule state?

How much power should cities and counties have? What are the right checks on that power? Is it really just about getting government as close to the people as possible, as advocates of home rule argue? Or should we be more concerned about protecting people from overzealous local governments, as Dillon’s rule proponents tend to believe?

I like limited government, and I’m inherently skeptical about the ability of some distant elected official or bureaucrat to make decisions that are really in my best interest. Surely, I can do that

better for myself. And if we have to have government involvement, then better the General Assembly than Congress. I think most people around me would agree. It’s not that I always agree with what happens at the General Assembly, but at least they’re considering what’s right for North Carolina, not what suits New York and California. They’re closer to me, they understand my circumstances better, and the only voters they have to answer to are those right here in my state.

So what about local government? Is my particular county or

city even better than the state level? After all, the General Assembly is a lot farther than city hall. Charlotte and Raleigh are different and can seem worlds away from small towns in the mountains or on the coast. Would we be better off as a home-rule state?

My gut reaction is yes. Be closer to the people. Local is better. But the more I really consider it, the more I’m beginning to think that maybe North Carolina has it right as a Dillon’s rule state.

The thing is, what I really care about is freedom. It’s not any particular government structure per se — Dillon’s rule, home rule, or anything else — but how that structure helps to ensure individual liberty. In that regard, local governments can be problematic.

I remember learning in elementary school social studies that American government has checks and balances. The federal government is divided into three branches designed to limit the power of each. Sure, the federal government can do all sorts of terrible things, but there also are opportunities for the courts to step in and strike down laws, for the executive to veto legislation, or for Congress to override those vetoes. Within the legislative branch itself, there are two chambers, so there are opportunities for legislation to be revised and power to be checked. It’s not a perfect system, but it does have built-in safeguards.

The North Carolina governmental structure mimics this with three branches of government and a bicameral legislature. At the state level, as at the federal, this provides some protections for citizens.

But local government is different. The city council or the county board of commissioners is just one chamber. There’s no House and Senate to check each other, just the one body. And mayors, city managers, or county managers typically either sit on those councils or boards or are employed by them. The executive and the legislative branches aren’t separate. There’s very little check on the actions of local governments.

Except the General Assembly.

Dillon’s rule means local government power is limited, and that’s a good thing if, like me, you want to protect individual freedom. Federal and state power already has its own built-in checks. Local governments don’t, so they need the external check that Dillon’s rule provides. That doesn’t mean I think states should micromanage cities and counties. The needs of people in different parts of the state will vary, and it’s OK for local governments to meet those needs in creative ways that are appropriate for their residents. But state government should step in when needed to protect individual liberty. That — defending liberty — should be the primary goal.

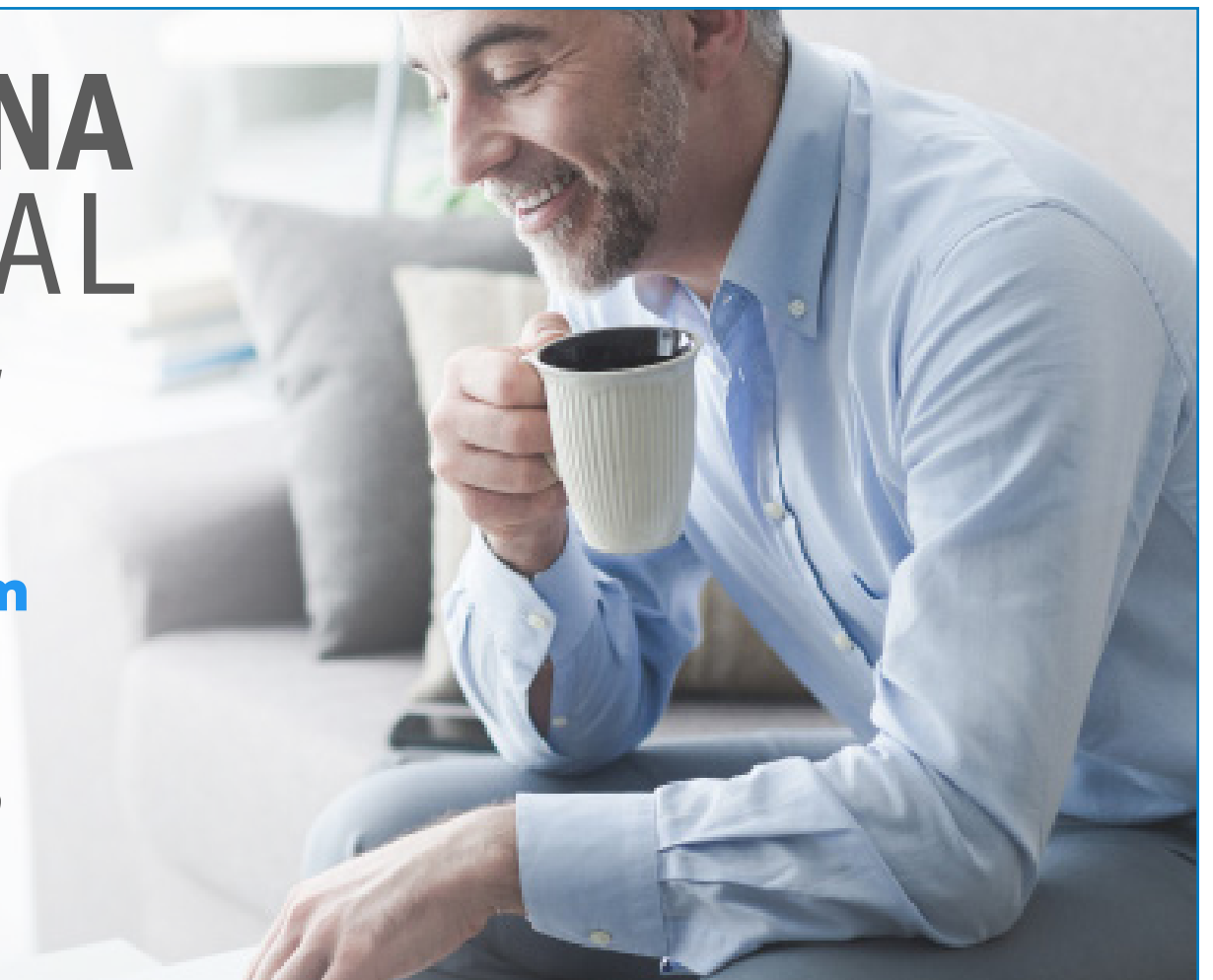


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POLITICS AND ELECTIONS

Constitutional law versus constitutional language



MITCH KOKAI

SENIOR POLITICAL ANALYST
JOHN LOCKE FOUNDATION

Read the latest court opinion in North Carolina's ongoing fight over electoral redistricting, and you might sense a growing disconnect between the world governed by constitutional law and the world most people understand.

This column does not aim to chastise the opinion's author, U.S. Appeals Court Judge James Wynn. He serves only as the messenger. It's the message that rankles.

First, some background information: Democrats remain unhappy that Republicans broke through the Democratic Party's long stranglehold over the N.C. General Assembly in 2010. Elections conducted that year under maps drawn by Democrats returned a GOP supermajority in the state Senate and GOP dominance (four seats shy of a supermajority) in the House.

Democrats don't like the fact that Republicans adopted the Democrats' own tools, including partisan gerrymandering, to help maintain legislative control. A series of lawsuits from Democrats and their allies — five, at last count — targeted Republicans' redistricting methods.

(The John Locke Foundation is no fan of the partisan mapmaking process employed by both Democrats and Republicans. The organization has advocated redistricting reform for decades.)

Wynn's opinion addresses the two most recent suits. Both take aim at the congressional election map North Carolina used in 2016. A federal court struck down the previous map, used for 2012 and 2014 elections, as unconstitutional because of racial gerrymandering. So Republican lawmakers eschewed race as a factor when drawing the 2016 map. Instead lawmakers drew a map designed specifically to elect a congressional delegation of 10 Republicans and three Democrats.

The U.S. Supreme Court never has tossed an election map be-



ELECTION LAW: Only the most expert election law specialists might end up understanding the resolution.



To suggest that North Carolina's 2016 congressional election map violates any of these constitutional provisions, one must look far beyond the basic language of constitutional text.

FILE PHOTO

cause of partisan factors, though justices have opened the door to that possibility. The high court is scheduled to hear arguments this month in a Wisconsin case addressing the issue.

Rather than waiting for the Supreme Court to add more clarity to partisan gerrymandering disputes, plaintiffs in both of North Carolina's most recent redistricting suits want to move forward with their own complaints ... about partisan gerrymandering.

Wynn and his colleagues have agreed. The opinion issued Sept. 8 helped explain why.

Democrats seek any means possible to limit Republicans' electoral advantage. Unable to mirror their opponents' 2010 electoral success story, Democrats have seen a 31-19 deficit in the N.C. Senate extended to 35-15 over the past three election cycles, while they've been unable to secure more than 46 of the 120 seats in the state House.

If Democrats must rely on courts rather than voters to boost their fortunes, it should surprise no one that they are putting forward any argument that might have the remote chance of convincing a judge.

Wynn summarizes the key arguments.

Collectively, Plaintiffs allege that

the Plan violates four constitutional provisions:

1. *The Equal Protection Clause of the Fourteenth Amendment, by diluting the electoral strength of individuals who voted against Republican candidates;*
2. *The First Amendment, by burdening and retaliating against individuals who voted against Republican candidates on the basis of their political beliefs and association;*
3. *Article I, section 2, which provides that members of the House of Representatives will be chosen "by the People of the several States," by usurping the right of the voters to select their preferred candidates for Congress; and*
4. *Article I, section 4, which provides that "the times, places, and manner of holding elections of ... Representatives, shall be prescribed in each State by the Legislature thereof."*

The prospect that any of these claims might succeed demonstrates a key flaw in "constitutional law," if one defines the term as judicial interpretation of the Constitution. That judge-determined law often strays from adhering to a Consti-

tution that's recognizable to an average, reasonable person.

The 14th Amendment says no state can "deny to any person within its jurisdiction the equal protection of the laws." Designed to ensure that recently freed slaves would face the same legal standards as whites after the Civil War, the amendment contains nothing to suggest that a person choosing to vote "against" a political candidate has any right to "electoral strength."

Nor does the First Amendment's protections against laws abridging free speech or association say anything about the impact of casting votes. You'll search in vain for a sign within that amendment's 45 words that it has anything to do with "burdens" or "retaliation."

Article I, section 2 does indeed specify that people within the states choose members of the U.S. House of Representatives "every second Year." North Carolina has held elections for Congress every two years, including 2016. Nothing linked to the disputed congressional election map has blocked people from voting in those elections.

Wynn's quotation of Article I, section 4 highlights the provision's key point: State legislators dictate most aspects of the electoral pro-

cess for the U.S. House of Representatives.

Election law experts reading the last four paragraphs might conclude, "Kokai, you ignorant fool! You have failed to account for the 1980 case of *Smith v. Jones*, which spelled out blah, blah, blah, and the 1993 ruling in *Howard v. Fine*, which explained why yadda, yadda, yadda."

To which I respond: You've just made my point.

To suggest that North Carolina's 2016 congressional election map violates any of these constitutional provisions, one must look far beyond the basic language of constitutional text. One must enter the mystifying labyrinth of election law.

If a constitutional provision that spells out the legislature's role in conducting elections can be used to help throw out the legislature's role in conducting elections, something strange is afoot. Yet Wynn cites federal court cases from 1986 and 1995 that might lead to that very outcome.

No one knows how courts will resolve these latest redistricting suits. Of greater concern to this observer: Only the most expert election law specialists might end up understanding the resolution.

EDUCATION

Less costly oversight for N.C. universities



MITCH KOKAI
SENIOR POLITICAL ANALYST
JOHN LOCKE FOUNDATION

The administrators who oversee public university campuses across North Carolina could see a tighter budget in the years ahead. Details about a positive budget development emerged recently during an uncharacteristically fractious meeting of the UNC system's Board of Governors.

Reports about the meeting tended to focus on rare public disagreement among board members, an unanticipated proposal to put the brakes on student tuition and fee hikes, and even a suggestion that the university system's General Administration might move out of Chapel Hill.

Lost amid that coverage was the news that the administration has been investigating zero-based budgeting.

"This is the first time we are doing a zero-based budgeting exercise in this organization for not just programs, but personnel," UNC President Margaret Spellings told the board Sept. 7. "We've done time studies with every individual. We've allocated their time around a legislative mandate or requirement, a compliance requirement, and on and on."



UNC PRESIDENT MARGARET SPELLINGS: The administration has been investigating zero-based budgeting not just for programs, but also for personnel.

"We want to be completely transparent about this organization," Spellings continued, reminding the board that the General Administration employs roughly 260 people and costs about \$65 million per year. The administration oversees the 17-campus system but not any individual UNC campus. "We ... look forward to sharing the very detailed information about how we spend our time and taxpayer money."

Spellings offered those comments minutes after board member William Webb proposed a new 10-member committee "to review the role, purpose, size, and scope of General Administration." That review would focus on existing administration jobs, the roles of each office within the administration, and appropriate staffing levels. Webb called for a 45-day timeline for the new group's report.

"One of the things I noticed when I looked at the organizational chart is the ... number of vacancies in various offices," Webb said. "Since I've been here, and I think since the president's been here, she's been looking at staffing issues."

The full board will benefit from the detailed zero-based budgeting study, Spellings said. "I think it will be educational for you to see that we have 10 people working on a program the legislature has given us that's called Go Global," she said. "That underwrites travel for various people internationally and so forth. We have a lot of things that are given us that we run and manage. And we want to be completely open and transparent about this."

The goal is increased efficiency, Spellings said. "There's nobody who has a keener interest in that than I do."

Board Chairman Lou Bissette suggested that the zero-based budgeting work would help address the goals of Webb's new committee. "I think your task force here will be off to a good start because they're going to have an awful lot of information to begin with."

Bissette has reviewed much of that budget information. "I learned that close to 60 percent of our General Administration employees are there because they are mandated by statute or regulation," he said. "It's a compliance group."

That comment about employees

and compliance prompted board member David Powers to highlight his "pet peeve" about the General Administration. "We might be able to discover some things we might take to the General Assembly to address," Powers said. "The chair of the [U.S.] House Education Committee is a North Carolina congresswoman [Virginia Foxx]. We may even be able to do some things on the federal level. I think there's an opportunity there to make some changes in what I view as an extremely overly burdensome regulatory load on the university."

One suspects that a BOG report emphasizing cost-saving compliance proposals would find a friendly audience within the legislature. Lawmakers already have demonstrated an interest in regulatory freedom. They have enacted a process to weed out unnecessary, outdated state rules. Legislators have taken recent steps to cut administrative costs within other sectors of taxpayer-funded education. They've also endorsed zero-based budgeting for selected state agencies.

So while the UNC Board of Governors has been generating headlines in recent months for other reasons, its new effort to help tighten the university administration's belt deserves more recognition. Zero-based budgeting could produce positive long-term consequences.

The university would see benefits long after today's headlines are forgotten.

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EDUCATION

New study a wake-up call for opponents of later start times



KRISTEN BLAIR
COLUMNIST

Teen biology favors the night owl, not the early bird.

This reality is prompting educators to reconsider when to ring school's first bell, even as research on the academic and health benefits of later start times stacks up. A new RAND Corp. study offers yet another upside to sleeping in: Starting school later could generate billions of dollars in future U.S. economic gains.

ZZZ's to dollar signs? It's a powerful argument. The corollary is this: Adolescent sleep deprivation is costly. Educators should be commended for working to reverse it. Ultimately, success will hinge on close collaboration between school, community, and home.

First, the economic implications of start times: RAND researchers looked at how school start times affect sleep, which, in turn, affects achievement and other outcomes tied to students' future work force

productivity and earnings. Using a macroeconomic modeling approach, they project that delaying middle and high school start times until 8:30 a.m. nationwide could generate \$83 billion over a decade.

Such findings extend already-compelling research on start times. A large-scale study of 9,395 high school students, conducted by researcher Kyla Wahlstrom, found students in schools shifting to a later start time improved grades and attendance. Car crash rates also generally declined.

Later start times may even help close achievement gaps. Kevin Bastian, associate director of the Education Policy Initiative at UNC-Chapel Hill, led a study of more than 400 N.C. high schools. Published in 2016, the study examined the association between later start times and two types of outcomes, says Bastian: "classic achievement" such as end-of-course or ACT test scores, and "engagement," including absences and disciplinary outcomes. "We actually found more positive results for traditionally disadvantaged students," Bastian says.

Why is dashing to school in the dark bad? It's misaligned with teens' circadian rhythms, says the American Academy of Pediatrics,



SLEEPING IN. Study proposes that starting school later could generate billions of dollars in future U.S. economic gains.

which supports later start times. Teens are wired to fall asleep after 11 p.m. Rising early fuels sleep deficits, which set teens up for inattention, behind-the-wheel drowsiness, and depression.

Don't ditch the alarm yet. New federal data show only 13 percent of U.S. high schools ring the first bell at 8:30 a.m. or later. The average high school start time in North Carolina, EPIC found, is 8.

Still, some school boards are taking action. Beginning in 2016-

17, Durham Public Schools shifted start times for some elementary and all district high schools to align with students' sleep habits. High school students, who previously arrived at 7:30 a.m., now start at 9.

Change has its challenges. In mid-September, the Durham Public Schools Board of Education reviewed results of a 2017 survey, conducted by EPIC, showing 62 percent of high school parents and 59 percent of high school

personnel rated the later start time negatively for students.

"Any change to routines can create an adjustment period," says Chip Sudderth, chief communications officer for DPS. The school district has "more work to do" to ensure the shift works for families and schools, says Sudderth. Researchers will also conduct a "deeper dive" on student performance and other outcomes.

Adjustments are real and are felt daily. Delayed start times impact bus schedules, sports practices, and jobs. They affect parents' routines and work availability.

Are schedule changes worth it? It would seem so — but local school boards should decide. Bills mandating later school starts, already introduced in various state legislatures, circumvent essential local community input and buy-in.

Meanwhile, parents can remove chronic sleep-busters — 88 percent of teens in Wahlstrom's study kept a phone in their bedrooms. Savvy teens may claim they need the phone's alarm. Guess what, kids? There's an old-fashioned substitute for that.

Tick tock.

Kristen Blair is a Chapel Hill-based education writer.

American schools should avoid Confucius Institutes



GEORGE LEEF
COLUMNIST

ACADEMIC FREEDOM has long been a guiding principle for American universities: Neither faculty nor students should be told what to say or punished for saying what they think. That principle has been under attack in recent years, but for the most part, academic freedom still reigns.

Conversely, academic freedom is an alien concept in China, where the tradition of state control means universities must conform to the official ideology. A recent *Financial Times* article makes that clear. Writer Emily Feng states, "China's anti-corruption watchdog has accused 14 top universities of ideological infractions ... as the ruling Communist party broadens its political control over educational institutions."

What "anti-corruption" means is that the government wants to stamp out independent thinking,



The Confucius institute at N.C. State evidently was responsible for the university's decision to cancel an appearance by the Dalai Lama. Moreover, the director of the Institute says she's forbidden to join any "illegal" organization such as Falun Gong.

Feng notes that this crackdown is meant to ensure that the universities "toe the ideological line."

Further demonstrating the Chinese government's hostility to free expression was its recent pressuring of Cambridge University Press to block access in China to articles published in *The China Quarterly*. As Elizabeth Redden wrote in *Inside Higher Ed*, the censored articles "touch on sensitive issues in China such as the massacre at Tiananmen Square,

the democracy movement, the Cultural Revolution, the restive Xinjiang region, Hong Kong, Taiwan, and Tibet."

But why should Americans care about the way the Chinese government deals with dissent?

The answer is that some American universities have established ties with China through Confucius Institutes. Beginning in 2005, the Chinese government established more than 100 of these programs at American universities, and hundreds more in primary and secondary schools. They offer courses on Chinese language and culture, funded by an agency of the Chinese government's Ministry of Education called the Hanban.

Of course, there's nothing objectionable about the study of Chinese language and culture. Nor is there necessarily any reason to worry that the government is funding these programs. The problem is that the government can't resist the temptation to exert its authority.

As reported in the *Washington Post*, the Confucius Institute at N.C. State University evidently was responsible for the university's decision to cancel an appear-

ance by the Dalai Lama. Moreover, the director of the institute, Sonia Zhao, says she is forbidden to join any "illegal" organization such as Falun Gong and was "trained in Beijing to dodge sensitive topics in class."

The academic integrity of a school is undermined when the Chinese government can indirectly pressure it to disinvite a speaker it doesn't want the students to hear and to insist on the employment of instructors who are "trained to dodge sensitive topics." Students who learn about Chinese culture should get the "warts and all" portrait. Confucius Institutes don't want anything of the sort.

In 2014 the American Association of University Professors declared the Confucius Institutes a threat to academic freedom and called upon American universities to sever ties with them.

The problems with Confucius Institutes led the National Association of Scholars to undertake a thorough research project, which culminated with the publication of a new report titled "Outsourced to China: Confucius Institutes and Soft Power in American Higher Education."

Author Rachele Peterson argues the Confucius Institutes raise four concerns involving intellectual freedom, transparency, entanglement with the Chinese government, and soft power.

American universities should not host Chinese propaganda programs. Whatever benefits they derive in funding for Chinese courses and the enrollment of Chinese students aren't worth the loss in academic freedom and integrity.

The NAS report recommends that all American colleges close their Confucius Institutes. But if a school wants to continue — or start — a CI, it should demand transparency and separation of the CI budget from the college's budget. Chinese language courses should be taught by professors who are paid by the college, and scholarship should not be constrained by fear of punishment for offending the Chinese government's tender sensibilities.

If the Hanban won't agree to such terms, then politely say, "No, thanks."

George Leef is the director of research for the James G. Martin Center for Academic Renewal.

LOCAL GOVERNMENT

Share Raleigh aims to hold City Council candidates accountable on short-term rentals

INTERVIEW



Brent Woodcox
Special Counsel to the
General Assembly

The debate over short-term rentals in Raleigh has continued for a couple of years without a clear solution. **BRENT WOODCOX** is special counsel to the General Assembly and former co-chair of the city's short-term rental task force. He created Share Raleigh, a political action committee focusing on the debate over short-term rentals. Woodcox sat down with *CJ* Associate Editor Lindsay Marchello to discuss his project and the future of short-term rentals in the city.

LINDSAY MARCHELLO: For people unfamiliar with the issue, can you give a quick summary about what's going on with short-term rentals in Raleigh?

BRENT WOODCOX: Yes, so short-term rentals are rentals of less than 30 days as defined by state law, and it is nothing new that is happening in Raleigh now. Most platforms that come to mind are Airbnb, VRBO, Homeaway, and there's obviously smaller platforms and people that don't use an online platform at all. And so they have been operating in the city basically ever since those companies started, and there are about 500 active short-term rentals that we know of in Raleigh right now. In city code there is no ordinance allowing them, and if something is not allowed in the zoning code it is prohibited. What you basically have is an issue where [the City Council] has decided to extend the enforcement period indefinitely, so even though there can still be complaints and still be citations, there's not going to be any penalties on people who are doing short-term rentals at the current moment. The point of that was for the city to come up with a plan, some kind of regulatory scheme, some kind of ordinance that will allow these to be legalized. Unfortunately, the political process just hasn't gotten to the point where an ordinance has been produced.

LM: How have people received Share Raleigh? You mentioned some of the candidates have reached out to you. Can you talk a little more about that?

BW: It's been incredibly positive. I think that about half the candidates have answered the survey, and even more have engaged me in either email conversations or phone conversation and have shared their thoughts. A lot of candidates are getting educated about the issue themselves. If you are a first-time candidate for city office, this is a big city. There's a lot of things



SHARE RALEIGH. While short-term rentals are technically illegal in Raleigh, city officials have failed to enforce the ban while the debate over legalizing and regulating the industry continues.

this city is dealing with. [Are] short-term rentals the biggest issue in Raleigh? Well, I don't know. People have said to me, "Man, this is a really weird hill for you to die on. Why are taking this so seriously?" For me, part of it is political philosophy and property rights and liberty issues, but another part of it is you really have got to get the small things right. You have to crawl before you walk, walk before you run, run before you fly. I think Raleigh is in a position where five or 10 years from now we could really take flight, but we've got to get the small things right if we are going to build our way there. Taking a small issue like short-term rentals and getting everybody in the community to talk about it in a way that, you know, this is an issue and we live in a political country that is highly divided right now — red versus blue — but this isn't really a red-blue issue. It is one that people can reasonably sit down and talk together about it and have reasonably aligned goals about what we want to do for our city to make it a great place but also not to erode what already makes it a great place. I think that has kind of been our goal, and the candidates have really responded to that. They've come to me and said this is what they think,

but a lot of these folks are really open-minded about it, and I think that's a positive sign. I think what we've had on the City Council is a lot of gridlock, a lot of butting heads and people moving to their separate corners and feeling like they can't reach across that divide. They can't find a compromise. I know both sides have been frustrated about that, but I think with the influx of new candidates and new discussions about this, and you know we have at least one retirement on the current City Council, so we will have at least some new representation. I'm hoping that will breathe life back into a dialogue.

LM: Clearly you favor legalizing short-term rentals in Raleigh, but what kind of regulations do you think are necessary, if any?

BW: In the ordinance we proposed, one thing we were looking at is the size of a bedroom. When you rent out a room, what do you need to make sure is there? What kind of safety equipment, emergency procedures? Do you need to have access to a phone line? We also debated parking quite a bit, and I think the reality is that in some areas of our city parking is at a premium, and in some areas of our city it

is pretty easy to find space to park. As long as people are using the home or the rental in the same way that the homeowner would, then it shouldn't cause too many problems. And also a registration requirement, so that if there are any problems, if there are any complaints — noise complaints, trash on the lawn, or something like that, then the city has someone to go to and say, "Hey, we see this problem. How is it going to be addressed?" Just kind of those basic requirements, a nominal fee to just get a permit and let people know this is what we are doing and this is the use. There's a debate over whether it is a business use. It is sort of a hybrid between a residential and business use, but if you are going to do something that is specifically going to be allowed under the zoning code in a residential area, I think it is appropriate to have some sort of registration requirement or permitting requirement. So just those kinds of things. Once you put into place what I've been told is a kind of light regulatory scheme, if other issues arise then they can be addressed. ... [O]bviously, I think this is an ordinance that will continue to develop over the years as the city has more experience with short-term rentals and as people come out of the cold,



I think Raleigh is in a position where five or 10 years from now we could really take flight, but we've got to get the small things right if we are going to build our way there.

CJ FILE PHOTO

who have never registered before and have never told the city, "Hey, I'm doing this." When it is finally made legal, I think there will be a lot better dialogue between hosts and people who come in to rent.

LM: What do you want people to know about Share Raleigh?

BW: What I want people to do is hold candidates accountable for what they say during the campaign. I mean, when candidates take a position during a campaign it is important once they are elected to office that they fulfill the promises they made. I have a lot of candidates today who are saying they are open to this and they have an open mind and want to work on this issue. I would hate to see it stall out after the election and for people to go back to their separate corners and compromise becomes impossible again. So, what we are going to try and do between now and the election is educate voters on where people stand so they can make an informed choice on who they want to vote for and who they want to represent them in Raleigh. And then, after the election, I hope we can transition to calling on those candidates to live up to their campaign promises.

UNITED STATES SUPREME COURT

Supreme Court returns to work after relatively low-key term



The U.S. Supreme Court returns to work this month with plenty of high-profile issues on its docket. **ILYA SHAPIRO**, senior fellow in constitutional studies at the libertarian Cato Institute, oversees analysis of the court's last term in the latest edition of the *Cato Supreme Court Review*. During a recent visit to Raleigh, Shapiro briefed a local Federalist Society chapter. He also shared his analysis with Mitch Kokai for Carolina Journal Radio.

KOKAI: The biggest change of the Supreme Court, in the past year, was in personnel. Tell us about the impact of new Associate Justice Neil Gorsuch.

SHAPIRO: Right. This term was kind of lower-key in terms of the cases decided, precisely because the absence of that ninth seat, after Justice [Antonin] Scalia's passing and the delay in confirming Gorsuch or filling that seat, meant that the court took lower-profile cases — and fewer of them. But, Gorsuch himself, he participated in 17 cases this term. Remarkably, he agreed with Justice [Clarence] Thomas on every one. We'll see how long that continues. So far, he is what people expected, whether that was a good thing or a bad thing, but a stylish writer, a textualist. His first question on the bench was, "Why shouldn't we just follow the plain meaning of the text?" It's mind-blowing stuff here, but that theme continued in various writings.

And he jumped right in. New Justices, typically, their first majority opinion that's assigned is a unanimous one, and this was the same case here — kind of a forgettable technical case. But Justice Gorsuch took the opportunity to write separately, more than a dozen times beyond that, and indeed he wrote separately ... in June alone, more than Justice [Elena] Kagan did in her first two terms on the bench.

KOKAI: Wow. In addition to having Neil Gorsuch now on the bench, what were some of the other big cases from your vantage point?

SHAPIRO: Well, we're in North Carolina. I might as well start off with *Packingham v. North Carolina*, a First Amendment case which asked whether sex offenders still maintain their First Amendment rights.

Now, sex offenders are an interesting class of felons. After they've served their time, or paid their dues, served their probation and whatever else, there are still certain restrictions on them. They can't live within a certain distance of schools and other places where minors congregate. ... In the digital age, states have tried to fig-



ILYA SHAPIRO: These redistricting cases are really weird. You kind of apply the Goldilocks standard when race comes to bear.

ure out how to apply those kinds of restrictions online. So, you know, you can't go on Nickelodeon's website or interact with kids in various other ways.

North Carolina actually had a much broader, kind of an outlier, sort of restriction for online access. And, the way that the law was written, not only could you not seek out kids to talk to or what have you, but ... it would bar you from accessing not only things like Facebook or Instagram, but potentially the *New York Times* website or WebMD or YouTube. Because those are sites where you create a profile and can interact with people in the comments, and under North Carolina statute, that was prohibited.

So, long story short, the Supreme Court unanimously struck down that North Carolina law. Not because states can't restrict sex offenders online, but because they have to tailor it. And, indeed, sex offenders do have First Amendment rights.

KOKAI: And, of course, a big deal here in North Carolina since it's our own law. Other big cases that were on your mind?

SHAPIRO: This term was kind of lower-key in terms of the cases decided, precisely because the absence of that ninth seat, after Justice [Antonin] Scalia's passing.

KOKAI: As you are analyzing everything that the court did during the past term, are there some trends that you noticed?

SHAPIRO: Not really. I mean, in general, every year Supreme Court reporters try to come up with some sort of theme for the term: "Oh, it turned to the left." "It turned to the right." "The court's libertarian moment." That was my favorite a few years ago.

But it's not like the justices, when they're on summer break, decide collectively or individually, "Oh, let's move to the right this term. Oh, let's move to the left." Even Justice Kennedy. He's not saying, "Oh, I was too liberal this term. I need to be ..." No, it's just a function of the amalgam of cases on their docket.

Now, the court does pick its own docket. So if it feels that the administrative agencies are going way too out of whack, either to the left or to the right, and they need to slap them down, ... that'll result in a certain set of results in a certain way.

And this term, in particular, the cases were lower-key. There were fewer of them. ... In history, this is the lowest production of opinions after arguments: 62. So they're doing a very good job of putting themselves out of business.

It's a great job if you can get it, you know. You have the smartest young lawyers in America working for you. You get your summers off to go to Europe, and you only produce 62 opinions. It's great. ... The trend is: return to the status quo from before Scalia's death.

So we had this weird interregnum of eight justices,

where many cases were decided much more narrowly than they otherwise would be. Many cases simply weren't taken because the court wanted to avoid having those ungainly 4-to-4 splits that don't decide anything.

We're waiting really for the next vacancy. Because, if, whenever Justice Kennedy decides to retire ... or when Justice [Ruth Bader] Ginsberg departs the court, if it's Trump or another Republican president who makes that replacement, then the court will shift to the right and Chief Justice [John] Roberts will be the swing vote, as it were.

KOKAI: I was going to ask you about the fact that we had the dog that didn't bark, and that was that no justice decided to retire, which obviously means we're going to have the same court coming back. ... As the court does prepare to come back, what are some big cases that will be on its docket? ...

SHAPIRO: We're going to go back to what we've been expecting the last few years, which is essentially a blockbuster term of the century. I think this is going to be our seventh one this decade, something like that. A number of big cases.

I mentioned the political gerrymandering [case] out of Wisconsin. The biggest criminal law case involves cell phone site location information. When you're walking around, all of us have these phones in our pockets, and they're pinging off towers. That information, that data, not who you talk to or your text messages, but where you are, is recorded by Verizon or T-Mobile or whoever you use. Do the police need a warrant to get at that information? Traditionally, if you're analyzing it like, well, do you ... speak loudly and people can overhear you? That's all up for grabs in the public.

But it's called the third-party doctrine because you're giving this information to the third party, to your provider. ... Is there an expectation of privacy? ... Is there an encryption? ... Will the police need a warrant? The court treads lightly in these tech cases, but this could be groundbreaking.

COMMENTARY

EDITORIAL

Partisan decline is nothing new

In September, the GOP officially became the third-largest group of registered voters in North Carolina, as the number of unaffiliated voters surpassed Republican registration for the first time.

In September, the N.C. Republican Party continued to add registered voters while the Democratic Party continued to lose them, continuing a long-term trend of GOP gains and Democratic decline.

Both of these statements are true. But which one did you hear the most about? Many state media outlets went with the “Republicans in trouble” theme, consistent with national reporting about the wobbly start of the Trump administration and consistent with what most of the reporters and editors who staff these media outlets expected to be true.

The latter statement, the “nothing much new here” theme, more accurately reflects the partisan trends in North Carolina. Unaffiliated voters consistently have grown as a share of total registrations. Democratic voters have consistently fallen as a share of total registrations. The GOP has continued to add voters each year, at a pace that has almost but not quite maintained its share.

In the past eight years, Democratic registration in North Carolina has dropped by about 128,000 voters. Republicans have gained 124,000 voters during the same period. The Libertarians have gained 28,000 voters. And the ranks of the unaffiliated have shot up by 687,000 voters.

In the first fall of the Obama administration, registered Democrats made up 46 percent of the North Carolina electorate. Republicans accounted for about 32 percent. Unaffiliated voters made up 22.5 percent. Today, in the first fall of the Trump administration, the shares are 39 percent Democratic, 30 percent unaffiliated, 30 percent Republican, and a trace of Libertarians.

True, President Obama manifestly weakened his party down the ballot. Since the beginning of this year, Democratic registration in North Carolina has dropped by thousands. Republicans have gained thousands.



Unaffiliated voters consistently have grown as a share of total registrations. Democratic voters have consistently fallen as a share of total registrations. The GOP has continued to add voters each year, at a pace that has almost but not quite maintained its share.

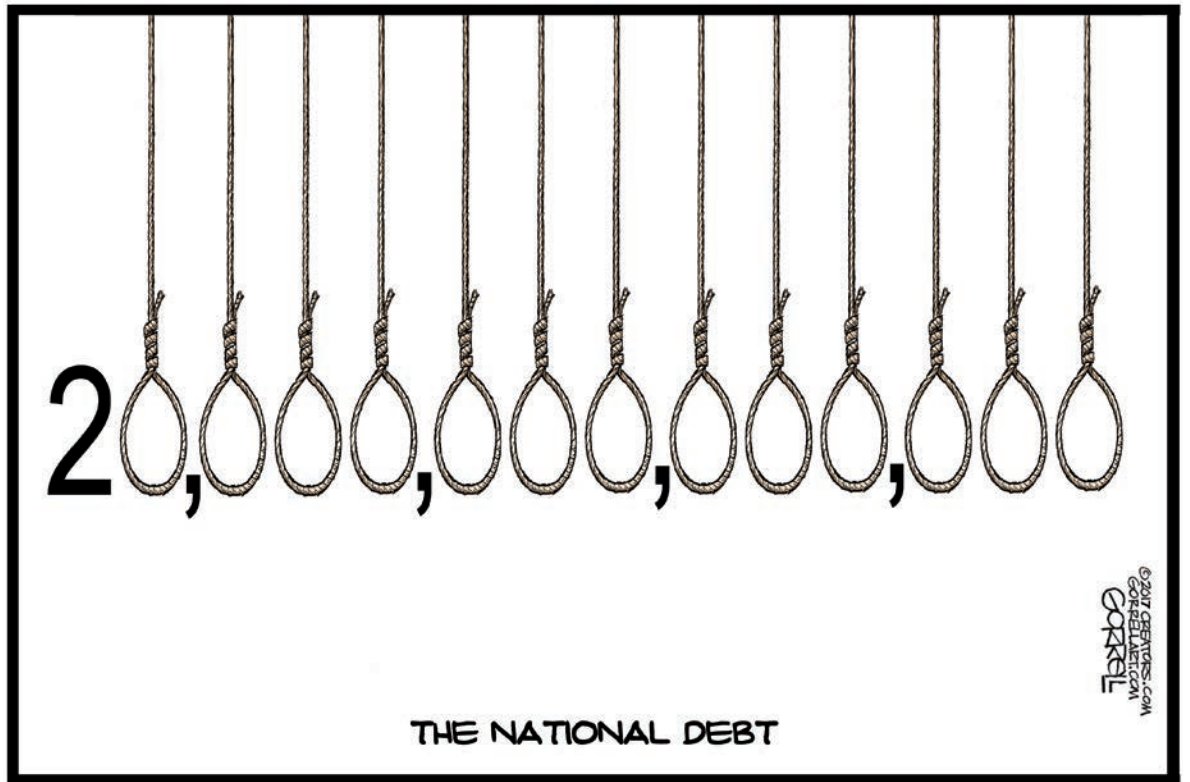
Unaffiliated registrations are up by tens of thousands.

North Carolina has a fascinating, complicated, and competitive electorate. Either major party can win statewide races given the right combination of candidates, resources, messages, and timing. Republicans have won more often than Democrats. This includes statewide tallies for legislative races, so it's not merely a reflection of district maps — but Democrats won crucial races for governor and attorney general last fall.

Basic math suggests unaffiliated voters couldn't possibly have broken evenly between the two major parties. If they had, Republicans couldn't have won the races they did, even if you add in some conservative Democrats who operationally are Republicans. Exit polls from 2012, 2014, and 2016 confirm the basic math. In the top races, North Carolina independents have voted more Republican than Democratic, sometimes by hefty margins.

Yet all is not well for Republicans. They should be concerned about President Trump's abysmal approval ratings and the current Democratic edge in polling for the 2018 midterms, although it's far too early to make any firm predictions about those contests.

But the party-registration numbers themselves are not some big red flag for the GOP or signs of hope for the Democrats. They confirm a trend that's been apparent all along, if we were willing to see it.



Safer tobacco product available, but feds slow to offer a light



BECKI GRAY

SENIOR VICE PRESIDENT
JOHN LOCKE FOUNDATION

WHAT IF A product could save lives and cut health-care costs? Imagine that product had undergone extensive tests and trials providing undisputed data showing it was safe. But what if a government agency with an anti-tobacco agenda from a previous administration made that product unavailable?

It's happening now, as the Food and Drug Administration considers an application for a modified-risk tobacco product.

The Centers for Disease Control says 480,000 people in the U.S. die each year from smoking. It's the leading preventable cause of death and disease. Even with countless regulations, heavy taxation, anti-smoking campaigns, and numerous cessation programs, 37 million Americans continue to smoke. In North Carolina, 19 percent of the state's adults smoke cigarettes. Medication, behavioral counseling, gum, patches, government programs, and support groups are available to people trying to quit.

The addictive nature of nicotine makes it hard for people to quit. Less harmful products based on extensive research and viable health outcomes should be options.

Recognizing health risks and a cultural shift away from smoking,

America's tobacco industry has invested heavily in reduced-harm tobacco products, offering consumers an alternative. The market has produced vaping products, nicotine-reduced cigarettes, nicotine patches, and electronic cigarettes.

The newest products are based in part on technology developed by Duke Professor Jed Rose — co-inventor of the nicotine patch — and others. Commercially marketed as iQOS, one new technology uses a controlled heating mechanism with a specially designed tobacco stick inserted into what looks like a short cigarette holder. The tobacco is heated and not burned. Harmful toxins found in cigarette smoke are reduced by 90 percent. The user gets nicotine through an aerosol without the harmful smoke.

The iQOS platform is available in 20 countries, including Japan and Italy, but not to U.S. consumers. The Food and Drug Administration mandates extensive health and safety testing, requiring years of work from hundreds of experts and mounds of paperwork, reports, data, and analysis. Research and development of iQOS began in 2003 and cost millions to bring the product this far.

Two application processes exist. Pre-market tobacco application would allow a company to sell a reduced-risk product without making health claims. By statute, the FDA should review applications within 180 days. It will probably exceed that for any new product application, but we could see iQOS on the market early next year.

Modified-risk tobacco product applications could take a year. This

isn't in statute, so it probably will take much longer. There are more hurdles: an FDA advisory committee and a comment period. FDA will also negotiate and discuss any “claims” with the producer before clearing it for the market.

The FDA says it “can issue an order authorizing the marketing of a product only if the evidence submitted in the application meets the requirements ... including, among other things, showing that the product will or is expected to benefit the health of the population as a whole.”

Meanwhile, smokers miss out on a less harmful alternative. It's not just health risks at stake, but also millions of dollars invested. It's jobs boosting North Carolina's tobacco industry. And it's the message our federal government sends to industries willing to innovate. The FDA is a barrier to new innovations that save people's lives, create jobs, and boost economies.

President Trump has called the FDA's approval process “slow and burdensome.” His appointment to head the FDA, Dr. Scott Gottlieb, has pledged to “make certain the FDA is striking an appropriate balance between regulation and encouraging development of innovative tobacco products that may be less dangerous than cigarettes.”

The John Locke Foundation submitted a public comment to the FDA supporting approval of the application for a reduced-risk tobacco product. We believe in public safety supported by facts, personal responsibility, and individual liberty.

Let's hope the FDA does, too.

COMMENTARY BY JOHN HOOD



Four dates Carolinians should know

NOW THAT North Carolinians can again put “First in Freedom” on their license plates, it’s worth taking a moment to remember key moments in American history when people from our state played an outsized role in the fight for freedom — individual liberty, the rule of law, and limited, constitutional government.

If you’re a native or longtime resident, you may well be familiar with two of the dates, as they can be found on North Carolina’s state seal and flag. On or about May 20, 1775, a group of community leaders in Mecklenburg County issued one of the first-known proclamations of an independently constituted government in the American colonies.

The second date, April 12, 1776, refers to another important meeting of North Carolina leaders. They gathered in the town of Halifax and voted unanimously for what became known as the Halifax Resolves, which instructed delegates to the coming Continental Congress in Philadelphia to vote for independence.

The next date may not be as familiar: Aug. 1, 1788. On this day, another convention of North Carolina leaders, this time in Hillsborough, concluded its consideration of the proposed new U.S. Constitution. The delegates declined to ratify it, and North Carolina didn’t participate in America’s first presidential election.

North Carolina delegates had complained the Constitution lacked a clear enumeration of individual rights and even drafted a number of proposed amendments to rectify the problem. By fall 1789, when it became obvious that a Bill of Rights would be enacted, North Carolina ratified the Constitution.

The final date is probably the least familiar: Dec. 16, 1937, when the self-styled “Conservative Manifesto,” a policy statement by Democratic and Republican members of Congress, was published in full by the *New York Times*. The primary author of the manifesto was U.S. Sen. Josiah Bailey of North Carolina. He and other signatories opposed Franklin Roosevelt’s attempt to pack the U.S. Supreme Court and other efforts by the president to concentrate governmental power in Washington at the expense of free enterprise and private property.

Campuses ought not breed contempt

Republicans and conservatives are growing more doubtful about the notion that higher education is a constructive social institution. According to a new Pew Research Center survey, 56 percent of Republicans and GOP-leaning independents think colleges and universities have a negative effect on the country, up from 45 percent in 2016. Only 19 percent of Democrats say the same.

To these increasingly skeptical right-of-center voters, university leaders and professors may be tempted to say, “Good riddance!” If Republicans are going to spurn universities, they might conclude, perhaps universities should spurn Republicans, who obviously have contempt for education, scholarship, and the life of the mind.

That’s not really the position of the higher education sector. It can’t be, not if it wants to survive and thrive. University leaders desperately want to protect their flow of cash and students. They know many donors, parents, politicians, and voters are Republicans and conservatives.

The nightmare scenario for university leaders is playing out in the Show Me State. In case you’re not familiar with the episode, in 2015 there was a series of campus protests at the University of Missouri. When a student journalist attempted to cover one of them, an assistant professor, Melissa Click, demanded the journalist leave. “I need some muscle over here!” she famously shouted in an attempt to recruit other students to force the journalist away.



TERMINATED. Melissa Click, former assistant professor at the University of Missouri, tried to grab a camera from student reporter Mark Schierbecker in 2015. She then called for “muscle” to remove him.

The resulting furor made national, even international news. Click was terminated. In alliance with prominent left-wing professors and associations, she (unsuccessfully) fought her dismissal, arguing in *The Washington Post* that while her lack of experience produced a certain clumsiness, “I don’t want to live in a world where citizens are too afraid of public scorn to take a chance. Do you?”

Yes, actually. I want to live in a world where educators would be too afraid ever to consider threatening students with bodily harm. Call me a troglodyte if you must.

It turns out lots of people in Missouri are similarly primitive. Horrified at what the episode said

about the campus, and disgusted at the feckless leadership that let the protests escalate in the first place into active interference with the rights of other students and the normal operation of a school, parents and donors are voting with their feet. Mizzou’s freshman enrollment has dropped 35 percent. Hundreds of employees have lost their jobs.

For a group of people seemingly obsessed about categories and invidious stereotypes, far too many professors traffic in the worst kinds of stereotypes about their critics. Many North Carolina Republicans and conservatives possess and value college degrees, cherish higher learning, and have proudly

acquired and applied graduate training to successful careers in business, law, medicine, science, and education. While there have recently been some shifts in partisan allegiances among voters with varying levels of education, the gaps aren’t wide. According to the 2016 exit polls, for example, half of North Carolina voters had college degrees. They split their votes for president between Hillary Clinton (49 percent) and Donald Trump (48 percent). Even 44 percent of North Carolinians with graduate degrees picked Trump.

Being Republican or conservative, in other words, does not inherently breed a lack of respect for higher education as an institution. What does?

When parents, donors, and taxpayers see conservative speakers on campus shouted down or assaulted, they worry. When they see public universities used as platforms for progressive political activism rather than legitimate educational or research activities, they seethe. When they compare the rising cost of college degrees against the value, either in the job market or in the intrinsic worth of what their children have learned, they recoil. When they see professors deny the legitimate authority of Republican lawmakers and duly appointed boards to provide governance to state agencies, they fume.

The message many Republicans and conservatives perceive from higher education sounds something like this: “Give us your children. Give us your money. Then, shut up.”

The answer is no.

EDUCATION

On reform, quicken the pace

THE ANNUAL testing data and report cards for North Carolina’s public schools are out. Achievement rose in some areas and declined in others, with most changes being fairly small.

While education reform may be a marathon, we’re going to have to pick up the pace.

North Carolina’s greatest gains in student achievement occurred two decades ago. Roughly speaking, our students went from performing below the national average on the independent National Assessment of Educational Progress in the early 1990s to at or above the national average

by the early 2000s.

Since then, average scores and proficiency levels have bounced — up or down depending on grade, subject, and year — without continuing the momentum of the 1990s.

Some readers will want immediately to dive head-first into the partisan pool, but the pause in North Carolina’s educational progress evident by the early 2000s is difficult to attribute to any policy change.

Most school reforms in the mid-’90s weren’t yet fully implemented and could not have affected student achievement much before the early 2000s. The



Average scores and proficiency levels have bounced up or down depending on grade, subject, and year without continuing the momentum of the 1990s.

Democrats ran state government in the ensuing decade. The Republicans won their legislative majorities in 2010. Since then, the scores of younger students with the greatest

likelihood of being affected by school reforms have gone up noticeably in reading and science, but not in math, while eighth-graders have lost a little ground in reading and math while staying about the same in science.

Everyone has an opinion about what would hasten and maintain higher student performance. Progressives tend to think it’s largely a matter of resources, class sizes, average teacher pay, and social interventions before and around the formal school setting. Conservatives tend to believe effective reform is more about allocating

resources effectively, to reward high performers and replicate successful programs, rather than marginal changes in average expenditures.

Lawmakers have added more resources while also changing the way educators are to be trained, deployed, and rewarded and expanding the state’s school-choice programs. But a dollar spent here is a dollar that can’t be spent there. The debate is largely about relative priorities. It’s important. But let’s remember that we share a common goal — and the desire for more rapid progress toward it.

COMMENTARY

Candidate's post about race has no place in political discourse



JOHN TRUMP
MANAGING EDITOR

A vile strain of racial tension has infected our national discourse.

Cable “news” and radio talk shows add to the rancor, which is traceable.

Policies and rhetoric from the highest levels of our government have left us unprotected from those who poison American ideals with bigotry and raw hate.

A recent example from a mayoral candidate in Charlotte is as scary as it is nauseating. Not surprisingly, North Carolina has again gained national attention.

And, again, it's not the welcome kind.

The candidate, Republican Kimberley Paige Barnette, made it a point to declare that she is indeed “white.”

As *The Charlotte Observer* reported, Barnette turned to Facebook to post: “VOTE FOR ME!” “REPUBLICAN & SMART, WHITE, TRADITIONAL.”

N.C. GOP Chairman Robin Hayes typically would not comment on a local race.

But, in this case, he did.

“Any suggestion that a candidate is more or less qualified for political office based on their skin color alone is offensive to North Carolina Republicans, and we condemn it,” Hayes said in a statement. “This type of suggestion has no place in our public discourse.”

Of course it doesn't. But in today's America, the message resonates with a swath of voters, who use it to fuel their hate-filled fires.

Barnette, who is 53, removed the viral post, the *Charlotte paper* said. Barnette, wrote *The New York Times*, apologized if she offended anyone. She said she wasn't suggesting she was a better candidate because of her skin color.

But she mentioned it anyway.

Sadly, some still think the reprehensible acts that sullied the streets of Charlottesville are



isolated, disconnected from the hearts and minds of common America.

They would be very wrong.

Probably emboldened by aforementioned segments of our leadership in Washington, D.C., American citizens have become disturbingly audacious and reckless.

With laser-like precision, they spew all sorts of vitriol — target-

ing race, ethnicity, religion, the Right, and the Left.

Our most recent former president is a frequent target. Vladimir Putin and Kim Jong-un typically aren't.

Hayes was right for condemning Barnette's post.

“We believe that bringing people together starts with the Republican belief that government should deliver critical government

services in a colorblind way,” Hayes said in the statement, “in a society that judges all people by the content of their character, rather than the color of their skin.”

Hayes is quoting the Rev. Martin Luther King Jr.

It's part of King's historic “I have a dream” speech. A speech, by the way, that King made in 1963.

Teaching humanities in a high-tech world



MICHAEL WALDEN
COLUMNIST

MY WIFE IS part of a shrinking group of people. She's low-tech.

She has a smartphone and a tablet — compliments of me — but she uses them reluctantly. Many days she forgets to turn them on, and even if they're on she'll forget to check for messages. Rather than texting or emailing, she still likes writing letters, making phone calls, or better yet, talking to people in person.

In college, she preferred courses in foreign languages, literature, and — her personal favorite — art. These courses are broadly labeled “humanities.” Although there are various definitions, most define the humanities to include language, literature, history, philosophy, and the arts.

The relevance of the humanities

in an increasingly technological world is in question. The fields receiving the most attention are the “STEM” majors — science, technology, engineering, and math. Even some high schools specialize in training young people for studying the STEM fields in college.

The encouragement of STEM studies makes logical sense. There's no question technology is ruling the economy, and its reign will only expand.

Smartphones, tablets, laptops, and the internet are essential in our work and our home. Tomorrow's tech advances are expected to be in areas such as virtualization, 3-D manufacturing, artificial intelligence, nanotechnology, biotechnology, robotics, and supercomputers. We'll certainly need more smart workers in the STEM areas to develop and apply the next phase of our tech economy.

It seems as if students are getting the message to pursue STEM majors. Since 2000, STEM majors nationwide increased 63 percent, compared to a 25 percent increase for humanities majors.

In the business world face-to-face interpersonal communications are still vital. Most major decisions are still made that way.

The future of humanities seems bleak, but some futurists think otherwise.

While agreeing the need for STEM graduates will continue to increase, the futurists predict that as technology becomes increasingly sophisticated and more pervasive, training in the humanities will actually become more — not less — valuable.

Here's their reasoning. With technology taking over more and more of our lives, we have become more machine-oriented and less human-focused. I witness this all the time on college campuses. Whereas decades ago students would move between classes and

buildings engaged in lively conversation, now most of them have their heads in their smartphones.

Then, of course, there are the jokes about people having meals together who communicate with each other through texting rather than simply speaking across the table. You know what they say about jokes: They're never too far from reality.

So a worry exists that individuals are losing the ability to relate to others on a personal face-to-face basis. In the business world, especially at the management level, face-to-face interpersonal communications are still vital. Most major decisions are still made that way.

People schooled in the humanities, through their study of literature, language, history, and the expression of ideas and feelings through the arts, have the perfect background to enable people to succeed in interpersonal communications.

There's another reason for the relevance of humanities in our current world. Some thinkers say the application of the next level

of technology to human use will require a cultural change, and developers of new technology will have to understand this cultural shift to be successful.

Robots and driverless vehicles are good examples. Although it's fun to think of these tools in the abstract, how will we react when they become a reality? Robots and driverless vehicles mean a shift in control and power from humans to machines we have never experienced. How people will respond is uncertain.

Obviously, developers and manufacturers want to know. Who is better to guide them than individuals who have studied human culture — that is, those who have studied the humanities?

In the race between the STEMs and the HUMIES — my shortcut for the humanities — it may be too early to conclude who will come out on top.

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

COMMENTARY

State economy strong, Republicans still deserve credit



ANDY TAYLOR
COLUMNIST

The Republicans have enjoyed majorities in both bodies of the General Assembly for nearly seven years now, and pretty soon Phil Berger and Tim Moore will be asking for two more. This is an appropriate time to assess their performance on the economy. Even under the Perdue and Cooper governorships, policy outputs were shaped greatly by House and Senate Republicans, and they have been in the majority long enough that they must hold considerable responsibility for the state's well-being.

Of course, the country as a whole has recovered, albeit painfully slowly, from the financial crisis and deep recession of 2008-09. We are bound to be better off than we were when the GOP captured the General Assembly in the 2010 elections. The key is to compare North Carolina to other states.

In this regard we're doing pretty well, at least according to the most important economic indicators. In every year since 2011, with the exception of 2014, the state's gross domestic product has increased at a rate higher than the country and the average of our Southeastern peers. For nearly the entire period, we've been just outside the national top 10.



REPUBLICANS DESERVE THE CREDIT: Senate leader Phil Berger (at podium) and House Speaker Tim Moore (at left), along with other legislative leaders.

North Carolina's economy has expanded steadily. Its average annual growth has been 1.9 percent, and it has never been below 1.4 percent or above 2.7 percent. We've avoided the boom-and-bust cycles that have afflicted states that bettered us at the beginning of the period — particularly energy producers like Texas, Wyoming, and the Dakotas — and that are beating us today, primarily Western states that were embroiled in the recession for a lot longer. To be fair, the state's rankings are similar to those achieved in the 1990s and early 2000s. But it's important to note that under the Democrats in 2007-10 the state's GDP growth was, when compared to national and regional benchmarks, considerably worse than it has been since.

The performance looks even better when we examine unemployment. In 2011, only four states had a larger proportion of their work force out of a job. Today we are ranked 26th. Migration into the state is also strong, demonstrating the desirability of North Carolina as a place to live. From 2010 to 2016 we moved up one place, from 12th to 11th, in the ranking of states by net migration per 1,000 residents. In fact, we are growing more rapidly than before. In 2012 the state gained 5.6 residents per thousand inhabitants from the previous year; in 2016 the figure was 7.9.

Despite cries to the contrary, North Carolina hasn't become materially more unequal, at least compared to other states. In 2010 the state was tied for 15th by income inequality as measured

North Carolina's economy has expanded steadily. Its average annual growth has been 1.9 percent, and it has never been below 1.4 percent or above 2.7 percent.

by its Gini coefficient, a statistic of dispersion regularly used to measure income distribution. We were in the same spot in 2016, still slightly below the national figure. The reason North Carolina's rank can be so high yet remain under the benchmark is that most of the top states, California, Connecticut, Illinois, Massachusetts, New York — all of these are blue incidentally — exhibit extreme inequality.

Economic policy surely has much to do with this. Over the past seven years the state has undergone a process of deregulation and fiscal disciplining that has provided solid foundations for sustainable ascent through national rankings. We moved up four places in the Cato Institute's "economic freedom" index between 2010 and 2014 — the most recent year for which data are available — although we are still just 24th. In the Mercatus Center's ratings on fiscal and regulatory policy, North Carolina has improved dramatically on measures such as short- and long-term solvency. Over the period we have moved from 21st to second in the American Legisla-

tive Exchange Council's "Economic Outlook Rank."

Not that you would know from reading the papers and watching TV. Still, blaming the media for the lack of attention to the state's strong economic performance over the past seven years only goes so far. Focus has frequently been deflected from the economy by legislators themselves. House Bill 2, in particular, hurt the GOP's agenda. Most of the states' voters were ambivalent about the bill, but as soon as they perceived it had negative economic consequences and the business community began to speak out against it, public support fell away.

Redistricting and the legislature's efforts to control the judiciary, executive agencies, and appointments to commissions seem nakedly self-interested — Public Policy Polling, for example, has found voters believe actions such as cutting the Justice Department's budget are blatantly partisan. Legislation exerting state control over matters such as municipal elections, infrastructure, and development policies confuses many who believe conservatives should support Barry Goldwater's "Ladder of Liberty" and the devolution of policymaking to the local level.

This is a shame. North Carolina's economy is strong, and the Republicans in the General Assembly deserve the credit.

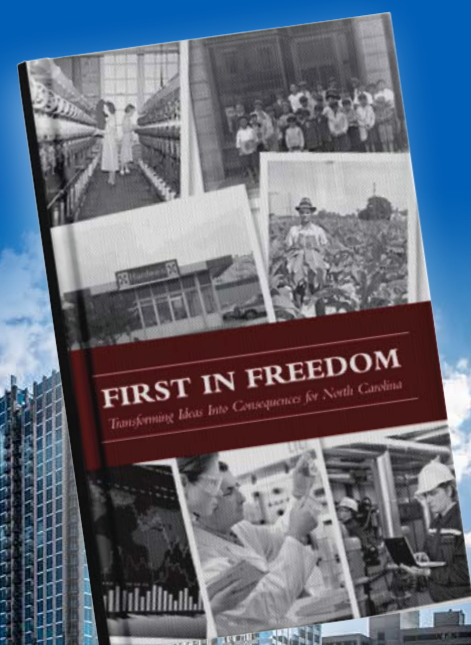
Andy Taylor is a professor of political science at the School of International and Public Affairs at N.C. State University. He does not speak for the university.

FIRST IN FREEDOM

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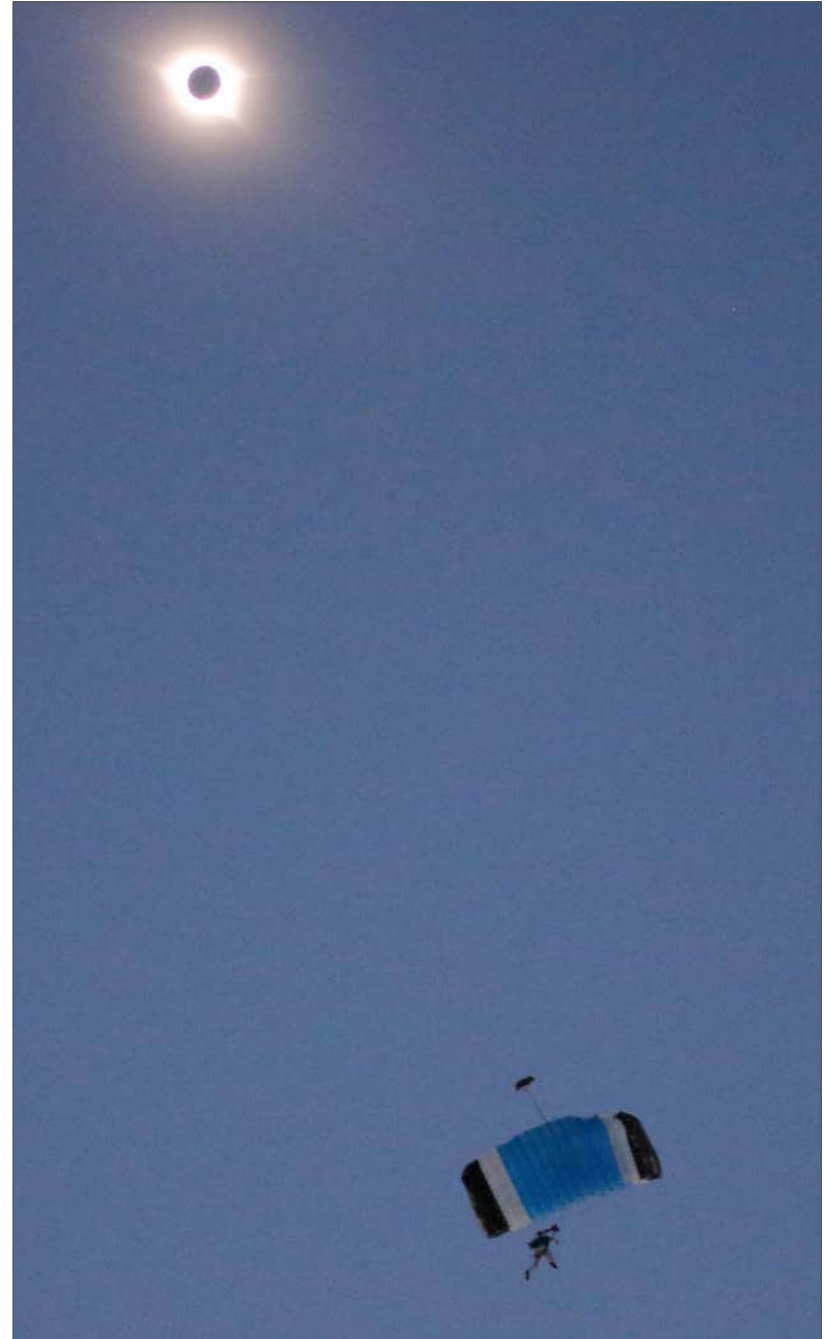
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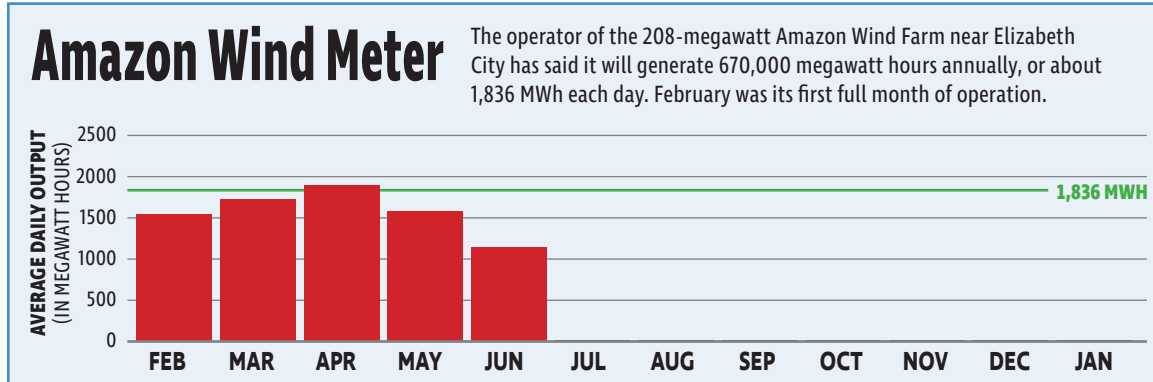
ON ASSIGNMENT



CAPTURING THE ECLIPSE: *Carolina Journal* Executive Editor Don Carrington is an experienced skydiving photographer and often uses multiple cameras attached to his helmet. He wanted to jump Aug. 21 to photograph the eclipse. He and two skydiving friends staged their attempt at the Greenwood County Airport in Greenwood, South Carolina, a location that was to see totality for more than two minutes. Flying in a Cessna 182 jump plane, they circled the airport at 10,000 feet. Three minutes before the total eclipse they left the airplane and immediately opened their parachutes. Darkness came at the forecasted time, and Carrington was able to line up another jumper with the eclipsed sun. His camera captured the event in the image to the right, with much more light coming around the moon than he saw with his naked eye. They didn't use eclipse glasses or any other eye protection but looked at the sun only during the total phase.



CJ PHOTO BY DON CARRINGTON



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- 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