NC Capitol Connection

OCTOBER 2015
VOL. 7, NO. 10

Next Month

Medicaid Changes
NCGA Session Wrap-Up
State Bond Issue
Newest Civitas Poll

4 Conservative Wins in NC Budget

BY CIVITAS STAFF

The Civitas Institute is hailing key victories in the final budget passed by the North Carolina General Assembly and signed by the governor.

"Four crucial sections in the budget were real wins for conservative ideas, and we are glad to have helped make those wins possible," Civitas President Francis De Luca said. Civitas has addressed all four issues repeatedly over the years, right up to the final days of the session when its "Cut This, Go Home" series pointed out to legislators easy ways to cut spending and end the budget impasse.

1. Renewable energy tax credits ride into the sunset

More than $200 million in special tax breaks that favored one industry at the expense of NC taxpayers and power customers will expire Dec. 31. In addition to recent articles and opeds, Civitas exposed the links between "Big Solar" and liberal funders and lobbyists in a special report this year.

The renewable policies drive up the cost of electricity and kill the creation of new jobs, and the tax breaks usually go to companies with insider connections and well-paid lobbyists. In short, political patronage and well-connected businesses win while taxpayers and ratepayers lose.

2. Income taxes keep going down

In 2012, Civitas led the fight alongside key legislators to reform North Carolina's tax code by making it fairer and less of a burden on taxpayers and the economy. That process will continue in the 2016-2017 budget: State income taxes are scheduled to drop from 5.75 percent to 5.499 percent in 2017, and the standard deduction will increase in 2016.

For example, imagine Tim and Tonya Tarheel, a North Carolina couple with two children. Together Tim and Tonya make $100,000.

Not taking into account itemized deductions and any credits, save the $100 credits for each of their children, in 2016 the Tarheels would have an overall tax liability nearly $30 less than in 2015.

The Tarheels will see more savings in the 2017 tax year. Then they will have a tax liability $210 less than in 2016 and $240 less than in 2015.

"The tax reforms advance North Carolina further down the road to a consumption-based tax system by lowering income tax rates and broadening the sales tax base," said Brian Balfour, economist and director of policy for Civitas. "On net, the tax changes are projected to result in roughly $400 million worth of tax savings over the next two years. That is a significant plus for North Carolina families and our economy."

3. Parents and students will get more choice in education

Since 2005, Civitas has fought to expand school choice. In the new budget, funding for Opportunity Scholarships will be increased significantly.

Parents for Educational Freedom in North Carolina (PEFNC), the state's leading voice for educational choice, hailed the move.

"After a favorable constitutional ruling from the North Carolina Supreme Court in July upholding the Opportunity Scholarship Program, coupled with the considerable parental demand for this program that has over 3,000 children on the wait list, the leaders of the North Carolina General Assembly responded in historic fashion on behalf of our state's families," said Darrell Allison, president of PEFNC.

"When you consider that the first year of the Opportunity Scholarship Program was only able to utilize roughly $5 million of what had been allotted due to legal challenges, it is truly significant to see that the final budget ends with $17.6 million for 2015-16 and $24.8 million for 2016-17 – a truly extraordinary increase," he added. "Undoubtedly, this is a major win for the thousands of low-income families who've have submitted over 12,000 applications that have flooded in over the last two years."

4. A "Waste of the Week" will no longer get taxpayer money

The new state budget eliminates $730,230 per year in state funding to The Hunt Institute. A long-standing "Civitas Waste of the Week," The Hunt Institute used taxpayer money to promote liberal causes such as Common Core and to host radical leftists. Consider just one such speaker: Pedro Noguera, a professor at New York University.

He is a former University of California-Berkeley professor who sits on the board of directors at the Economic Policy Institute, a left-wing group whose president has ties to the Democratic Socialists of America.

Noguera is also a featured speaker of the progressive group Speak Out, which features other speakers such as left-wing radicals Noam Chomsky and Angela Davis. By eliminating state funding, the budget means taxpayers' money no longer will be paying for such ideological efforts at The Hunt Institute.

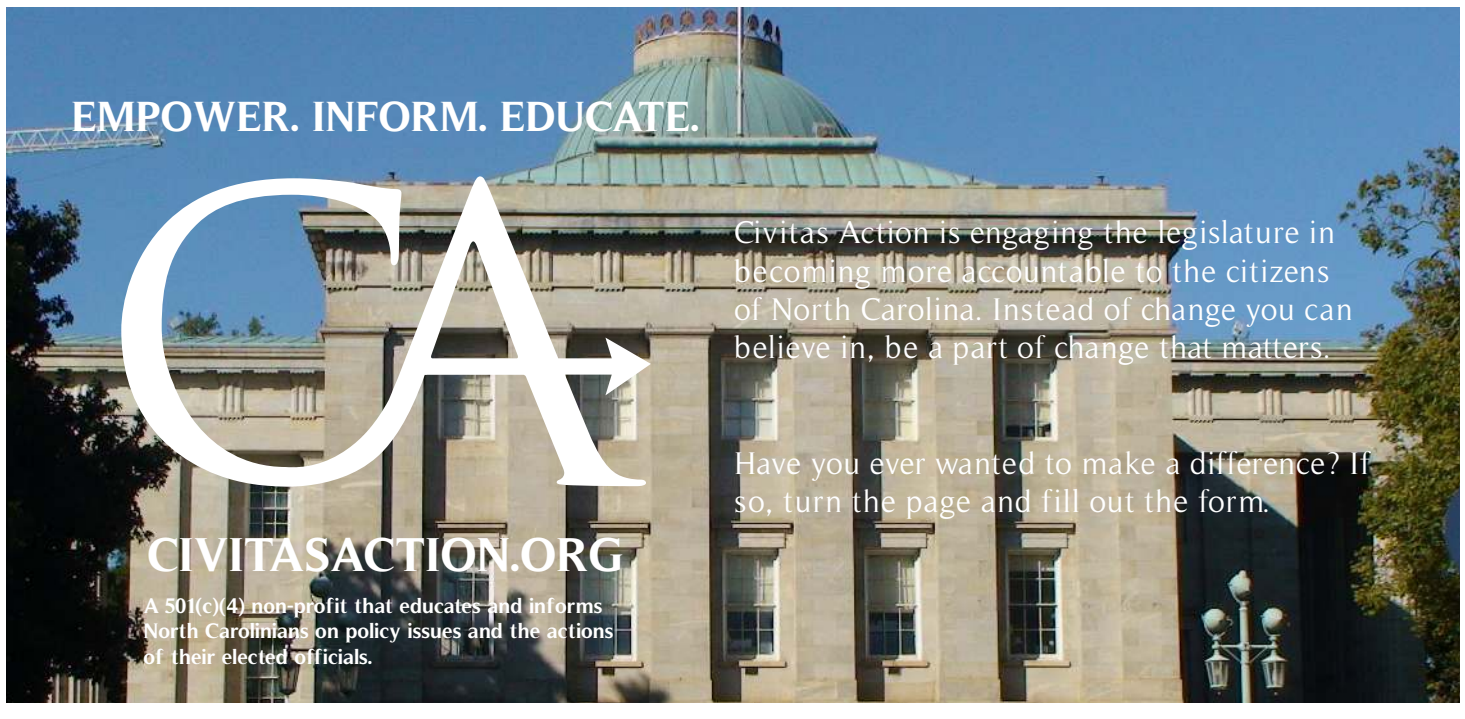
Of course, despite these victories, much remains to be done. The budget includes far too many items that Civitas has highlighted as wasteful and outside the scope of core government services. And some are just blatant examples of legislators bringing home "the bacon" to their home districts – using state tax dollars. Civitas strongly recommends that legislators introducing line items to the budget that fund specific projects attach their names to the proposals in the name of transparency.

"While we didn't get everything we wanted out of this year's budget negotiations, these victories signal that we conservatives made our voices heard," De Luca said. "That's encouraging news as we look ahead to the next legislative session."■

MORE BUDGET NEWS ON PG 4-5

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From the Editor

Can General Assembly Really Say 'No'?

BY JIM TYNEN

The last session of the General Assembly featured a big brawl over the budget and plenty of battles over Medicaid and other issues, but maybe the most telling action was this: a move to put a tight lid on state funding for light-rail projects.

The effort brought an outcry from the usual suspects: well-connected insiders, pork-loving legislators, and cities that want the rest of the state to pay for their pet projects. The result seems to be in doubt as of this writing. But it may tell us more than some of the more-publicized topics.

"So why should people in Macon or Carteret counties pay for a rail system that will serve people in Orange and Durham counties, and only a small portion of them at that?"

The final version of the state budget turned out to have a $500,000 cap on state funding for light-rail projects. That brought howls from backers of a $1.5 billion Orange-Durham light-rail plan, who were counting on collecting $138 million from NC taxpayers for the scheme. But North Carolinians should hope the cap sticks, either now or in future years. Here are just a few reasons:

Special projects for one area are just plain wrong.

As Garland Tucker points out in his new book, "Conservative Heroes," it's immoral to force one group of taxpayers to fund something that benefits some other group of people. Light-rail is a prime example. Plainly, such mass transit projects are only feasible in urban areas. So why should people in Macon or Carteret counties pay for a rail system that will serve people in Orange and Durham counties, and only a small portion of them at that?

Light-rail is a 19th-century technology in the 21st century.

We are in an era of rapid change, including transportation technology. How can the state spend at least $1.5 billion on a transportation system that cannot be changed?

Light-rail is a consistent failure.

These projects invariably cost more than estimated, while carrying far fewer passengers. In February, I offered in online and newspaper columns to give a free Civitas pen to anyone who could point to a light-rail system that was built for the estimated cost, while carrying as many passengers as projected. No one took me up on it. That's because light-rail has an unblemished record of cost overruns and disappointing ridership.

The General Assembly said, "No."

Recent legislatures have reined in some spending, and this year saw some steps forward. (See stories on pages 1 and 4.) Nevertheless, NC legislators still spend too much



on projects that have little benefit for most residents, or are way outside of government's core responsibilities.

And big transportation projects are the kind of bauble lawmakers often can't resist. Construction companies can be generous friends. People who own property near the transit route can also be supportive. Consultants spew out predictions of how the new project will benefit everyone. The media are suckers for bright pictures of the nirvana that will follow the new rail line or highway.

Perhaps most important, for politicians the benefits are immediate, while the costs are distant. From the groundbreaking to the ribbon-cutting, politicos can bask in the reflected glory of the future. It make take years, however, for failure to become obvious. By then, many citizens will have forgotten about who was responsible, and the elected officials who pushed the fiasco may well be cashing their retirement checks and be far away and forgotten.

Desires are infinite. Resources are not.

North Carolina has limited resources. But the list of possible projects to be funded is limitless. At some point, our elected leaders have to say, "No!" The Durham-Orange light-rail line is a good place to start.

As of this writing, we can only hope lawmakers will stick to their guns. And whatever the final decision is on light-rail, North Carolinians should hope that in years ahead lawmakers will indeed learn to say "No!" to unneeded or unwanted spending.■

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Tell us what matters to you and Civitas Action will work with you to make a difference in North Carolina

I support the following actions and want to help make a difference in North Carolina:

- ❑ Implementation of statewide Education Savings Accounts (ESA)
- ❑ School choice
- ❑ Eliminate personal and corporate income tax
- ❑ Support Taxpayer Protection Act
- ❑ Cut state spending
- ❑ Eliminate pork/earmark spending
- ❑ End tax credits for special interests
- ❑ NC should have the lowest state taxes in the nation
- ❑ Require supermajorities for tax increases
- ❑ Eliminate Certificate of Need Laws (CON)
- ❑ Lower health care costs by increasing supply
- ❑ End state control of medical service supply
- ❑ Eliminate withholding union dues from state workers at taxpayer's expense
- ❑ Term limits for NC state legislators
- ❑ Limits on session length for NC Legislature (Session Limits)
- ❑ Real voter ID laws to ensure election integrity
- ❑ Eliminate Renewable Energy Portfolio Standard (REPS)
- ❑ Oil & gas drilling
- ❑ Other _____

CA

Sign up:

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Ed Savings Accounts Offer Opportunity

BY BOB LUEBKE

Support is growing for a new school choice option for North Carolina families: education savings accounts (ESAs).

It's important to remember that ESAs are different from vouchers, such as North Carolina's Opportunity Scholarship Program. Vouchers are payments designated for a specific purpose.

ESAs, on the other hand, are parent-controlled accounts that can be used to help pay for a variety of educational expenses. You can find out more at a Civitas-sponsored series of events — "Fulfilling the Promise: Empowering Parents through Educational Choice." These town hall gatherings will offer you information about how ESAs can improve educational opportunity and give hope to parents, students and communities.

The first ESA town hall will be from 7 to 8:30 p.m. on Thursday, Oct. 29, at Winter Park Baptist Church, 4700 Wrightsville Ave., Wilmington. A second town hall will be from 7 to 8:30 p.m. on Tuesday, Nov. 10, at First Baptist Church, 301 S. Davidson St., Charlotte.

For more information, go to our website at www.nccivitas.org or call 919-834-2099.

Advantages of ESAs

To be specific, ESAs are parent-controlled accounts that can be used to pay the educational expense of qualified students. While the state oversees the deposit of state funds, parents have discretion over how the funds are spent on tuition, books, tutoring or other school-related expenses. Money that isn't spent in high school can be used for college.

Here are four of the big reasons policymakers and parents should support ESAs:

1.They can save money. ESAs work by providing parents with a percentage – usually ranging from about 85 percent to 95 percent – of per pupil state-based funding. Administrative costs are covered by designating a percentage of the remaining funding for such expenses. Such costs can often range in the 3 percent to 8 percent range. Since ESAs can be a vehicle for helping children to attend private schools, and since the costs of educating children in many private schools is less than at public schools, ESAs can produce real savings for states and local school districts.

"The first ESA town hall will be from 7 to 8:30 p.m. on Thursday, Oct. 29, at Winter Park Baptist Church, 4700 Wrightsville Ave., Wilmington. A second town hall will be from 7 to 8:30 p.m. on Tuesday, Nov. 10, at First Baptist Church, 301 S. Davidson St., Charlotte."

2. ESAs fill a need.

To date, aside from Arizona, ESAs have been mostly focused on special-needs populations. That is because many special-needs students are inadequately served in schools. The same goes, however, for any student whose needs aren't being met by a school. ESAs empower parents to select the school that best fits their child's educational needs.

3. ESAs offer value and efficiency.

While many public schools do a fine job for many students, some parents and children want other options. ESAs offer parents an opportunity to spend their own money on the educational needs of their children. As such, parents have an incentive to maximize the educational value their children receive – especially if the ESA includes a provision that any savings can be kept and rolled into a college fund.

4. ESAs can spur educational innovation.

Because ESAs empower parents, market forces will come to bear on all schools, public and private. These added pressures could propel significant changes in the educational marketplace.

The bottom line is that ESAs offer families significant advantages over the traditional school choice programs. That makes this a good time to find out more about how families and students can benefit from them.■

Monthly Petition

Education Savings Accounts Petition

to

Support Giving Parents the Opportunity to Meet the Educational Needs of Their Children

I support the creation of Education Savings Accounts (ESAs) for North Carolina families. ESAs provide parents with a portion of the per pupil state-based funding – the funding parents support with their own tax dollars. Parents can use ESA funds for approved educational expenses, such as tuition, books and tutoring. In other words, ESAs put parents in charge how the money is spent on their children's education. I urge North Carolina's educational leaders to support an ESA program here.

Name (First, M.I., Last)

Street Address

City **State, Zip** **County**

Phone **Email**

Signature **Date**

Name (First, M.I., Last)

Street Address

City **State, Zip** **County**

Phone **Email**

Signature **Date**

Cut out and mail to: Civitas Institute, 100 S. Harrington St. Raleigh, NC 27603
Please make copies of this form for others to sign

The 10 Key Points in the NC Budget

BY BRIAN BALFOUR

The fiscal year 2015-2016 North Carolina state budget has finally been finalized. Was it worth the long wait? Rather than wading through 400 pages of text, here are the 10 most interesting and important aspects of the budget.

1. Total spending is $21.7 billion. That marks an increase of $620 million over last year's budget, equal to a rise of 3.1 percent. The state budget has more than doubled in the last 20 years – a growth rate nearly three times the rate of population growth. Indeed, over the past 30 years, state General Fund spending per person has grown by 50 percent – even after adjusting for inflation.

2. More tax cuts coming. The state personal income tax rate will drop to 5.499 percent by 2017, down from the current 5.75 percent. The standard deduction will be increased slightly (for example from $15,000 to $15,500 for married filing jointly), and the tax credit for medical expenses is reinstated. Moreover, the corporate income tax rate will drop to 4 percent next year as included in 2013 tax reform and will be guaranteed to drop to 3 percent the following year regardless of revenue thresholds. The sales tax base, however, will be broadened to include some services such as repair, maintenance, and installation services to tangible property, such as autos. Also, the corporate tax formula will move to a single sales factor, which is projected to amount to a tax cut of about $32 million over the biennium. On net, these tax changes are projected to save taxpayers nearly $400 million over the biennium.



3. Local sales tax distribution. The budget does not include a proposed change in the sales distribution formula that would have shifted most of the sales tax revenue to be distributed on a per-capita basis rather than to the county where the taxes were collected. Instead, the additional revenue collected due to the sales tax base expansion is to be distributed by a formula favoring rural counties. For instance, Wake, Mecklenburg and Guilford counties would receive none of the additional revenue. Moreover, the additional revenue is earmarked for local governments to spend on public schools, community colleges or economic development.

4. Film grants. $30 million of taxpayer dollars is appropriated for handouts to film production companies.

5. Renewable Energy Tax Credit. North Carolina's 35 percent state tax credit for "renewable energy" facility construction, which is tacked on to the federal credit of 30 percent, will be allowed to expire. As originally written, the credit was set to expire at the end of 2015; in a vain attempt to save this tax break, the solar industry spent heavily on lobbyists to get the credit extended in the budget.

6. Medicaid reform. $225 million over two years is set aside to aid in the reform of North Carolina's Medicaid program. Medicaid reform has been vigorously debated the last two years, as legislators seek to move away from the current fee-for-service model. The Senate has favored a managed-care model, while the House has favored an Accountable Care Organization model for reform. The details of the reform are being debated as of press time.

7. State employee pay. All state employees will be given a one-time bonus of $750 in this year's budget. No across-the-board pay raises are included. Salary step increases are included for teachers and other school administrators, as well as highway patrol troopers, court clerks and magistrates. The budget also sets aside funding for pay raises for community college employees and correctional officers.

8. Highway Fund transfer. The annual $216 million transfer from the Highway Fund to the General Fund is ended. This makes more money available for transportation needs.

9. Savings. $600 million is set aside in the state's rainy day fund ($200 million) and the repair and renovations fund ($400 million).

10. No changes to state retiree benefits. In spite of the elimination of health benefits for future state retirees being included in the Senate budget proposal, and rumors of secret meetings to transition state workers to a defined-contribution retirement program, no such changes were included in the budget deal.■

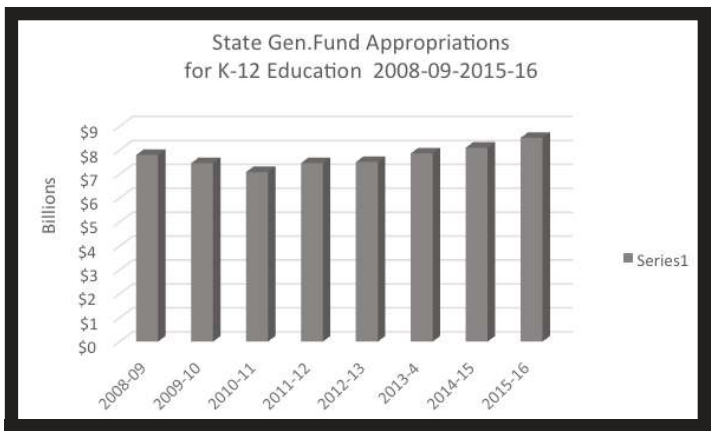


The Education Budget: 3 Things You Should Know

BY BOB LUEBKE

Those who watch state government have had plenty to talk about since the General Assembly passed the state's new $21.7 billion state budget. Though the education budget is the single largest item in the state budget, here are three things you probably didn't hear about the education budget.

1. The education budget has been increasing. First, contrary to the claims of many educators and the media, the education budget is not declining. General state appropriations for public education (i.e. K-12 education, community colleges and UNC System) have actually increased five years in a row. In fact, over the past five years, state appropriations for all public education have actually increased 14.1 percent, growing $1.5 billion from $10.8 billion (current dollars) in 2010-11 to $12.3 billion in 2015-16. This past year, the total budget for public education went up $530 million, including an additional $410 million for K-12 public schools, $99 million more for the UNC System and an additional $20 million for community colleges.



Source: Fiscal Research Division, NC General Assembly



If we focus on the K-12 budget, we see over the past five years the K-12 public school budget has actually increased 20 percent over the last five years, rising from $7.085 billion in 2010-11 to $8.516 billion in 2015-16. Of course, North Carolina also added almost 45,000 students to K-12 schools as well. Still, the increase in state appropriations is not something that is being reported by many.

Progressives and other education activists make constant reference to millions in budget cuts for public education. How is that possible? It's important to note those claims are based on a budget system that made the continuation of existing services the baseline for future budget decisions. When Republicans gained majorities they switched to a different budget system, one that requires agencies to justify all expenditures, a process in many ways the opposite of the continuation budget. Suffice it to say, the change has produced a difference of opinion over what constitutes a budget reduction. As most people can readily see, if appropriations for a state agency are higher than the previous year, it constitutes a budget increase.

2. Few lottery dollars find their way to the classroom. Second, what is going on with the NC Education Lottery? This year the public schools are expected to receive about $530 million from the NC Education Lottery. While that's a lot of money, what's more important is how the money is being spent. When the lottery was passed in 2006, the plan was to provide additional money in the classroom. And generally, that's how things were divided. In 2010-11, the NC Education Lottery generated about $419 million in revenue for North Carolina public schools. The money was divided as follows: 52 percent for teacher salaries; 24 percent for school construction; 15 percent for More at Four; 7 percent for college scholarships; 2 percent for financial aid.

This year, however, North Carolina will spend $529 million in lottery revenue divided as follows: non-instructional support personnel, 58.5 percent; pre-kindergarten, 14.7 percent; public school capital fund, 18.8 percent; scholarships, 5.7 percent; and UNC financial aid, 2 percent. (Because of rounding, the numbers don't equal 100 percent).

While the lottery money has certainly helped the state to cover bills and fund programs and expansions, it's obvious a majority of the money is not getting into the classroom. Those hopes seem all but forgotten.

3. Teacher retirement and benefit costs are increasing. Thirdly, if we establish that K-12 education funding has increased every year for each of the last five years, and grown $1.5 billion over that time period, where has all the money gone? The short answer to that question is: to salaries and retirement. Since 2010 $1.1 billion of the funding increases have been spent on employee salaries and benefits. What has gotten lost in this discussion is the steady rise in retirement benefits and the cost of medical/hospitalization benefits and how those factors are pushing up costs.

Year	Retirement Rate	Health Plan
2008-09	8.14%	$4,157
2009-10	8.75%	$4,527
2010-11	10.51%	$4,929
2011-12	13.12%	$4,931
2012-13	14.23%	$5,192
2013-14	14.69%	$5,285
2014-15	15.21%	$5,378
2015-16	15.32%	$5,471

Source: NC Department of Public Instruction

The increases are real. In 2008-09, North Carolina was paying a matching retirement benefit equal to 8.14 percent of salary. In 2015-16, that benefit had increased to 15.32 percent of salary.

The increases have also reflected hospitalization costs. In 2008-09, North Carolina was paying $4,157 for hospitalization benefits per employee. In 2015-16, that figure had grown to $5,471 per insured member, an increase of about 32 percent.

Combined with matching Social Security benefits (7.65 percent), North Carolina is providing teachers with a benefits package (i.e. Social Security, retirement and hospitalization) worth over $15,100.

In recent years North Carolina has been putting significant resources into public education, an increase of $1.5 billion in the last five years, but much of the money is being spent on salary increases and the rising costs of retirement benefits. Moreover, revenue we thought would be getting into the classroom – such as revenue from the NC Education Lottery – is not.

Public discussion about the state education budget is healthy. If we include the points raised here, we'll go a long way toward spending our education dollars wisely and where they can do the most good. The task can't begin too soon.■

Education Savings Account Town Hall

Free Admission
October 29th, 2015
7:00pm – 8:30pm

Winter Park Baptist Church
4700 Wrightsville Ave, Wilmington, NC 28403
www.nccivitas.org/civitas-events



Civitas Events Planned for Charlotte, Wilmington

BY CIVITAS STAFF

Upcoming Civitas events will highlight conservative heroes, examine the conservative heart, and show parents how they can improve their children's educational opportunities.

Conservative Heroes

On Oct. 14, a social/book-signing event will highlight "Conservative Heroes," the latest book by historian and businessman Garland Tucker. It profiles 14 leaders who have shaped conservative thought and action through American history. (See article on page 7.)

The event will run from 5:30 to 7 p.m. at Dilworth Neighborhood Grille, 911 E. Morehead St., Charlotte.

Conservative Hearts

The head of a leading think tank will speak and sign books at a lunch from 11:30 a.m. to 2 p.m. on Oct. 28 at Nan and Byron's, 1714 South Blvd., Charlotte.

Arthur Brooks, president of the American Enterprise Institute, will share insights from his latest book, "The Conservative Heart." In that volume, he advocates for a conservatism that champions free enterprise as the best way bring prosperity and happiness to the widest number of people.

Brooks has appeared at Civitas events in the past, and he's always been an engaging and thought-provoking speaker. The upcoming appearance will surely be worthwhile for anyone interested in where the freedom movement goes from here.

Empowering Parents

Also coming up is the first in a series of events — "Fulfilling the Promise: Empowering Parents through Educational Choice." These town hall meetings will provide information about how Education Savings Accounts (ESAs) can improve educational opportunities for parents, students, and communities. (See page 3 for more information.)

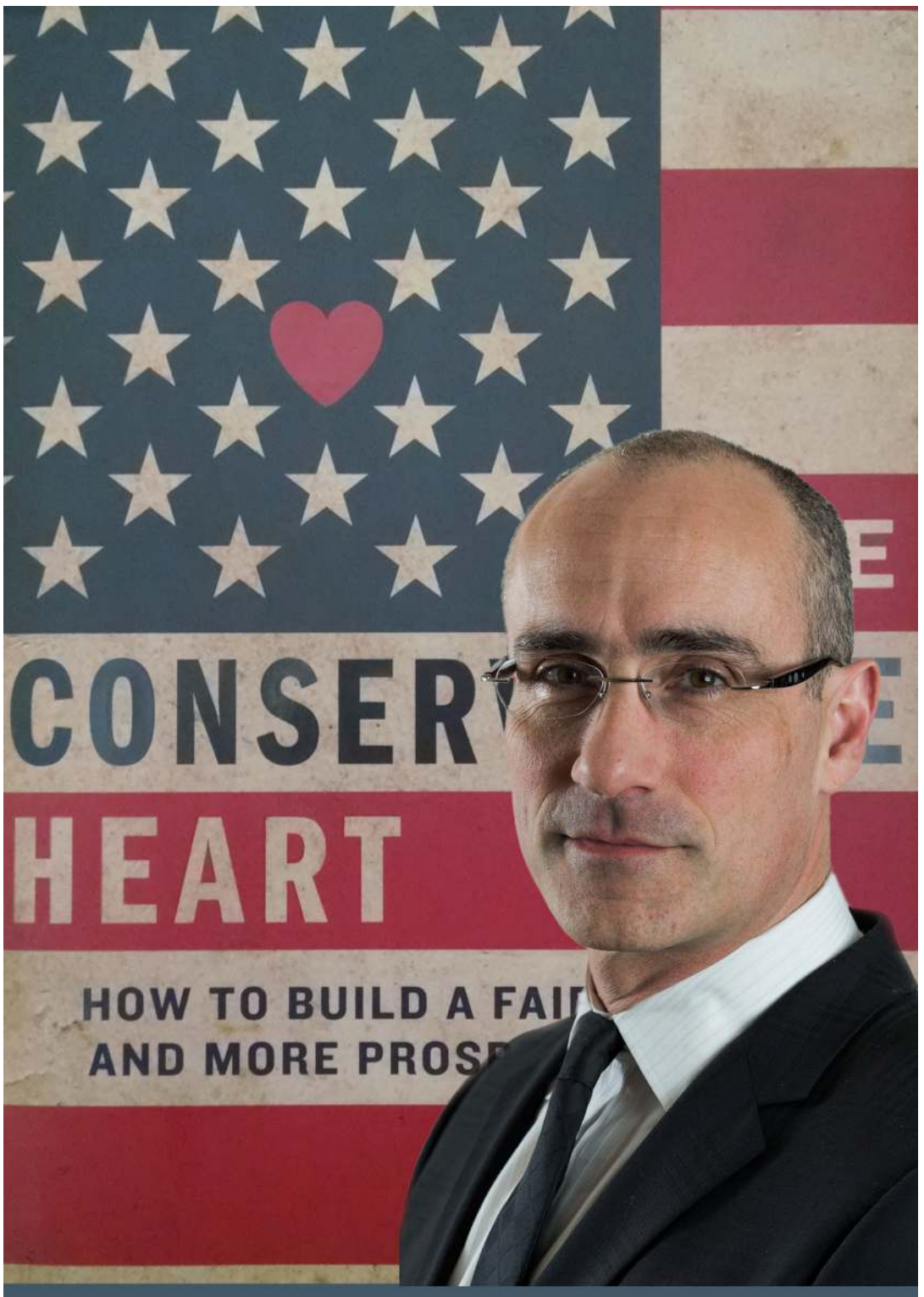
The first ESA town hall will be from 7 to 8:30 p.m. on Oct. 29 at Winter Park Baptist Church, 4700 Wrightsville Ave., Wilmington.

A second town hall will be from 7 to 8:30 p.m. on Nov. 10 at First Baptist Church, 301 S. Davidson St., Charlotte.

Civitas Polls

The results of recent Civitas Polls are scheduled to be discussed at our regular poll lunches in October. The first was slated for Oct. 7 at the Courtyard Wilmington Wrightsville Beach, 151 Van Campen Blvd., Wilmington. The second was set for Oct. 8 at the DoubleTree by Hilton Hotel Raleigh, 1707 Hillsborough St., Raleigh.

For more information on these and other Civitas events, go to www.nccivitas.org/civitas-events/ or call 919-834-2099. ■



The Conservative Heart:
Lunch and Book Signing with Arthur Brooks

October 28th
Charlotte, NC

Purchase tickets online:
nccivitas.org/civitas-events

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March 4th-5th, 2016
civitasclc.com

‘Conservative Heroes’ Illuminates Freedom’s Battles

BY JIM TYNEN

Conservatives seeking inspiration, guidance, and perhaps a few words of caution can find all that in “Conservative Heroes,” the latest book from Raleigh businessman and author Garland S. Tucker III.

Tucker is the CEO of Triangle Capital Corp. and the author of a previous book that examined a key moment in conservative history: “The High Tide of American Conservatism: Davis, Coolidge, and the 1924 Election.”

Subtitled “Fourteen Leaders Who Shaped America, from Jefferson to Reagan,” Tucker’s latest effort highlights conservative ideas in action, and a selection of men who defended these values, sometimes in victory, sometimes in valiant defeat.

Those heroes are a varied array, from figures any concerned American knows to men often overlooked in the history books, such as two North Carolina heroes that probably many of us in the Tar Heel State don’t even know about. One was congressman Nathaniel Green, speaker of the U.S. House beginning in 1800, who labored mightily to keep the nation true to its founding. In the New Deal era, Sen. Josiah Bailey was one of the boldest and most effective critics of President Franklin Roosevelt’s administration.

“Conservative Heroes” begins with Thomas Jefferson and James Madison, close friends and collaborators who prized freedom and limited government and laid the foundation for the nation that embodied these values, though they often differed on how to do so. Yet despite such a bright beginning, government money and power proved alluring to many Americans. While conservative politicians struggled to keep government in check, their constituents kept clamoring to get government checks.

In Congress, the influence of Green; Rep. John Randolph of Virginia, another conservative hero; and other defenders of freedom ebbed as their countrymen took prosperity for granted and chafed at the restrictions the Constitution put on them.

Throughout the years, their conservative congressional successors fought similar battles. Sen. John C. Calhoun of South Carolina defended the prerogatives of the states in the 19th century; in the 20th, Sen. Robert Taft of Ohio took up Bailey’s mantle and pushed back against the New Deal. In the White House, Presidents Grover Cleveland, Calvin Coolidge and Ronald Reagan proved that a leader can attain the highest office while pursuing and advancing conservative causes.

Nor does one need to serve in an elected office to advance the cause, Tucker shows. Though John W. Davis was defeated in his run for the White House, he was one of the most effective lawyers to ever argue before the Supreme Court, often derailing some of the New Deal’s more outlandish schemes. Barry Goldwater also lost in his drive for the presidency, but his fiery idealism inspired a generation of Americans. Andrew Mellon as treasury secretary, in partnership with Coolidge, proved that smaller government and lower taxes do bring prosperity. William F. Buckley, as a magazine publisher, TV host and debater, showed how wit and clarity of expression can change minds.

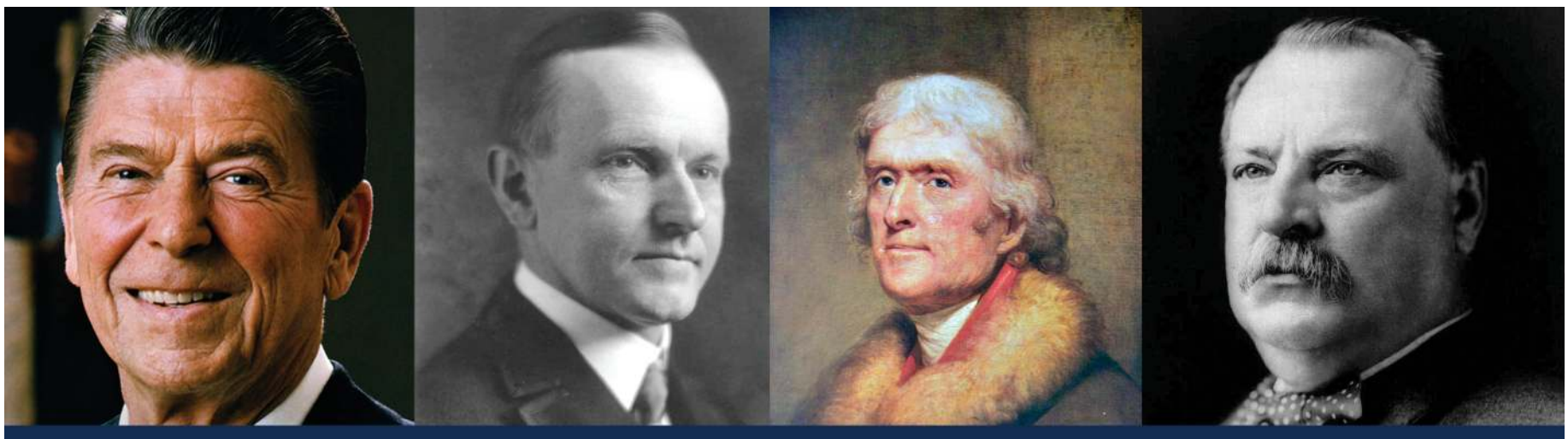
Nevertheless, the stories of “Conservative Heroes” include times when the cause suffers setbacks. By the end of the Civil War, the Jeffersonian vision of a country of proud yeoman was overshadowed by the emergence of an industrialized, centralized United States. The growth of the nation under Cleveland and President William McKinley was proof of the power of free enterprise. But they were followed by the Progressive Era. Under President Warren Harding, Mellon, and Coolidge, the United States enjoyed unprecedented prosperity. Yet when the economy crumbled, President Hoover panicked and tried Big Government solutions, FDR rammed through the basics of the modern welfare state, and liberalism seemed triumphant.

“Subtitled ‘Fourteen Leaders Who Shaped America, from Jefferson to Reagan,’ Tucker’s latest effort highlights conservative ideas in action, and a selection of men who defended these values, sometimes in victory, sometimes in valiant defeat.”

Yet, Tucker reminds us, when the situation looks bleakest, a conservative hero seems to arise from nowhere. Cleveland was a prosperous but otherwise obscure attorney just a couple of years before entering the White House. Coolidge was also a little-known politician until shortly before he was elected vice president, before becoming president. And of course the elite laughed at the idea that a staunch conservative and former movie star could become president – until about the time Reagan was giving his first inaugural address.

Finally, as conservatives understand the human race is flawed, we shouldn’t be blind to the shortcomings of these leaders. When Jefferson and then Madison became president, they did not always live up to their conservative ideas. Calhoun defended constitutional principles, but also slavery. Firebrands like Randolph and Goldwater roused the faithful, but on occasion they failed to communicate with others.

In victory and in defeat, in good and in bad, these conservative heroes provide valuable lessons for Americans today. “Conservative Heroes” may be history, but readers will see in it many parallels to the leaders and issues they see on TV every day. With that, we on the Right have to hope that another such conservative hero will soon stride on to the scene.■



Conservative Heroes
Social and Book Signing with Garland Tucker

October 14th, 2015
5:30pm-7:00pm
Tickets: nccivitas.org/civitas-events

Dilworth Neighborhood Grille
911 E. Morehead St.
Charlotte, NC 28204

At High Court, CLF Defends Freedom to Work

BY CIVITAS STAFF

The Civitas Institute Center for Law and Freedom (CLF) joined several other state-based legal and policy organizations in asking the U.S. Supreme Court to uphold the freedom of employees to choose what political causes they support. In a joint amicus brief in the case of *Friedrichs v. California Teachers Association*, the coalition asks the high court to reach the common-sense conclusion that employees cannot be forced to support a labor union with which they disagree politically or in other ways.

"Our argument basically goes that compelling a person to support a labor union is, for purposes of the First Amendment, no different than compelling that person to support a church, political party, or other private group with whom they disagree," CLF staff attorney Elliot Engstrom said. "If the activities of unions were truly beneficial to all of their members, then there would be no need to compel people to support them."

Friedrichs is a California case out of the Ninth Circuit Court of Appeals. Unlike North Carolina, California does not have state right-to-work laws that protect employee freedom.

"We thought it was important to have organizations from right-to-work states on this brief, especially considering that a significant portion of the brief is dedicated to policy arguments about the benefits of such laws," Engstrom said.

The brief was principally drafted by Jeffrey Harris of Washington, D.C.–based Bancroft PLLC. He is a former law clerk to Chief Justice John Roberts. Joining CLF on the brief are the Beacon Center of Tennessee, John Locke Foundation, and Washington Policy Center, among others.

Briefs for the respondents are due near the end of October, and the court will likely hear oral arguments in December 2015 or January 2016.■

CLF Suit Brings Comment from Paper on Belmont Case

BY CIVITAS STAFF

The Gaston Gazette, a newspaper published out of Gastonia, recently commented on lawsuit filed by the Civitas Institute Center for Law and Freedom (CLF).

The suit against the city of Belmont in Gaston County Superior Court alleged violations of state public records law.

The suit, filed on behalf of Dan Deitz and Ellen Deitz Tucker, seeks to clarify the extent to which the city can refuse to release the results of a third-party investigation into its police department.

Deitz and Tucker filed a public records request with the city asking to see the results of an investigation into the Belmont Police Department (BPD). The siblings hoped the investigation would shed light on the death of their sister, Donna Deitz, who was an innocent bystander killed by a motorist fleeing BPD officers in 2012.

The city, however, has refused to make the taxpayer-funded report public, and Belmont issued a blanket denial of the public records request, prompting the CLF's lawsuit.

"Government too often tries to find ways to prevent the disclosure of information it has gathered."
- The Gaston Gazette

The Gaston Gazette, a newspaper published out of Gastonia, recently commented on the CLF's lawsuit, saying in part:

"Government too often tries to find ways to prevent the disclosure of information it has gathered. That action always leads to suspicion and distrust and erodes the relationship between government and the people in ways that harm progress.

"The city of Belmont can stand tall by doing the right thing and, abiding by North Carolina law, making the findings of the police department investigation public.

"That not only will avoid what can be a costly legal process for taxpayers, but also can lead to restoring the public's trust in their government that nothing underhanded and unfair lead to the ouster of their police chief. And the Deitz family will know once and for all if the loss of their loved one was in any way related to the PD operations that were bad enough to fire the chief."

The editorial board of the Gazette recommended that the city produce the disputed records voluntarily instead of going through the time and expense of a lawsuit.

Elliot Engstrom, the CLF staff attorney, agreed. "We certainly don't want the city to spend even more defending its attempt to hide this document from public view," he said. "But it's important for the Deitz family, and the citizens of Belmont, to see what this third-party report uncovered."■



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Marco Rubio in NC: Looking Ahead

BY MATT CAULDER

The rap on conservatives is they're stuck in the past – but recently Sen. Marco Rubio was in North Carolina focusing on the future.

"This is an economy driven by innovation, that means new ideas are constantly replacing ideas that aren't that old," the Florida Republican told an enthusiastic crowd of about 100 people in the lobby of a South Park restaurant.

"And it's changing faster than ever, but our policies are stuck in the past. We have a retirement system designed in the 1930s, we have higher education policies designed in the 1950s, we have anti-poverty programs designed in the 1960s, energy policies from the '70s and taxes from the '90s. At a time when the world is changing faster than ever, we need new ideas that allow this nation to take full advantage of the new economy."

Following his speech, a thunderous chant of "Marco! Marco! Marco!" rose up from the crowd, sounding like a bigger crowd than the cramped space could really hold.

Embracing a changing economy

"The first thing we need to do, we need to make America the best economy in the world, to create the best-paying jobs of the 21st century," he said. "Why is that not happening now? Because of our own policies. You see this economy is so different from the one I grew up in, so different from the one you grew up in. This is a global economy, [which] means we have to compete with dozens of other countries.

Rubio said the nation needs leaders who put in place policies that allow the private sector to grow the economy, because government does not create jobs.



Sen. Marco Rubio speaks in Charlotte.

He said the tax code needs to be reduced, regulations need to be relaxed, and the nation needs to make full use of its energy resources.

Rubio calls for Obamacare repeal

The charisma he is noted for was on display, but so was a willingness to confront the issues. He called for the repeal and replacement of the Affordable Care Act, often called Obamacare.

In place of Obamacare, Rubio proposed a system in which Americans can use their pre-tax dollars to buy health-care coverage.

"We do need to replace it, replace it with this, replace it with a plan that says you are in charge of your health care, that you can use your own pre-tax money, whether it's from your employer, from a tax credit or from your own bank account, and you can use it to buy any insurance you want, across state lines from any company in the country," he said.

He also talked about the need to reduce the national debt, pass a balanced budget amendment, and reform programs such as Social Security and Medicare.

"The good news is we don't have to change anything for those programs, but we will have to change it for future generations like me," Rubio said. "My Social Security and Medicare, and anyone that's like my age and younger, is going to look different than our parents. It's still going to be the best thing in the world, but it's either going to look different, or it's not going to exist."

Calling for higher education reform

Rubio said the higher education system needs to be overhauled to open up opportunities for more people.

"We must modernize higher education. It's too expensive, it takes too long, and it's too out of reach for many people that need it the most," he said. "So number one, we are going to do more vocational education in America. Some of the best jobs available today require more than traditional high school but less than four years of college. And we don't train people to do this anymore, and that makes no sense. "Listen, a welder, for a fact, a welder makes a lot more than a Greek philosopher. We stopped training people to be welders, and I would say we have graduated too many Greek philosophers. The Greeks get offended, don't get offended if you're Greek, I would say Cuban philosophers, but there's no such thing."

Rubio said he would tell Americans that there is nothing wrong with being a mechanic, a plumber or a welder. He would push initiatives to train high school students to go to trade school and be able to go right into the trade of their choice.

He also said he wants to allow people going back to school to use experience to gain class credit toward advanced degrees and certifications.


Elected officials were among those waiting to greet Rubio.

GOP field shrinking

Rubio came to the Old North State off of what political observers called a positive showing at the most recent GOP debate on CNN, climbing eight points to fourth behind Dr. Ben Carson, Carly Fiorina and Donald Trump over the last two CNN polls.

His standing makes him the highest-rated elected official in the field of candidates.

The week of Sept. 4 Rubio polled at 3 percent, and following the debate Rubio polled at 11 percent of the vote, overtaking former Florida Gov. Jeb Bush and Sen. Ted Cruz of Texas.

The 44-year-old first-term U.S. senator has experienced a meteoric rise since his long-shot run for the Senate in 2010, possibly culminating in a run for the White House next year.

Rubio's event came as Wisconsin Gov. Scott Walker threw in the towel after crashing in the polls starting in August.

Walker has announced he was dropping out to clear the field to allow a "positive, conservative message" to rise to the top of the field of candidates.

Walker encouraged other presidential hopefuls on the low end of the polls to consider doing the same.

Other candidates at the bottom of the polling include Sen. Lindsey Graham (S.C.), Louisiana Gov. Bobby Jindal, former Sen. Rick Santorum (Pa.) and New Jersey Gov. Chris Christie, who are all polling at less than 2 percent.

Former Texas Gov. Rick Perry has already announced the end of his run.■

Please Ignore the Funders Behind the Curtain

BY SUSAN MYRICK

Laura Leslie from WRAL recently wrote about an Energy Forum held at the Legislature organized by opponents of renewable energy programs. Rather than focusing on the issues, the central theme of Leslie's article seems to be the infamous Koch brothers. The Koch brothers, Charles and David, are targets of the Left due to their support of conservative principles and organizations.

In her article, Leslie pointed out the connections event sponsor American Energy Alliance (AEA) and panelists from Utah State University's Institute of Political Economy all had to Koch brothers' funding. While Leslie fixated on the Koch connections, she failed to disclose the connections her own sources had to special interests. While quoting four groups in favor of government-supported renewable energy, she failed to reveal where they get their funding or what the funders' ulterior motives are.

Incidentally, Jim Goodmon, owner of Capitol Broadcasting/ WRAL, also owns a very large solar facility in North Carolina and has reaped the benefits from the taxpayers for several years. This fact is mentioned as an afterthought with a disclaimer after the article stating: "WRAL News parent Capitol Broadcasting Co. owns a solar farm."

But let's look at the rest of the story about Left-leaning groups and the rich donors who fund the solar and wind power lobby for their own profit.

1. Sierra Club

The Sierra Club is the largest and one of the oldest environmental organizations in the country. The Oregonian recently contended that the Sierra Club's contributors are putting the "almighty dollar before Mother Earth" and cited a report by the Energy & Environment Legal Institute that revealed that many environmental activists benefit from their contributions to the Sierra Club.

For example, Nathaniel Simons, billionaire hedge-fund manager, has donated over $14 million to the Sierra Club since 2009. His donations have been earmarked primarily for educational campaigns about clean energy and have been very profitable. While underwriting the Sierra Club's promotion of renewables, Simons created a venture fund investing in clean energy.

The Oregonian article goes on to say that the Sierra Club's "Beyond Coal" campaign had been discredited because it had been funded by board members and donors who benefited from the organization's anti-fossil fuel campaigns. Eight of the Sierra Club Foundation's 18 directors were owners, founders, and CEOs of organizations and companies that profited from the Beyond Coal campaign.

On the local level, the Sierra Club in North Carolina has received $160,000 from The Educational Foundation of America. The Educational Foundation of America describes itself as "an advocate for progressive change" and funds some of the most liberal/progressive groups in the nation.


Tom Steyer

2. Wind Energy Foundation

The Wind Energy Foundation appears to be relatively new. According to Foundation Directory, the Wind Energy Foundation has received 99.9 percent of its funding from the Energy Foundation. A recent U.S. Senate report described the Energy Foundation as a pass-through public charity and the largest grant recipient from the Sea Change Foundation, a foreign-funded entity. The Energy Foundation does not list Sea Change as a public donor.

3. RTI

RTI, formerly Research Triangle Institute, receives hundreds of millions of dollars (RTI reported nearly $800 million income in 2013) each year from both government agencies and many Left-leaning philanthropies including the Ford Foundation ($6 million since 2004), the Bill & Melinda Gates Foundation (more than $26 million since 2007), and the Robert Wood Johnson Foundation (nearly $8 million since 2003).

Civitas reported in 2014 that RTI, a nonprofit receiving billions in taxpayer funds, had experienced a decade of poor audit reports from international auditing firms. According to the Washington Examiner, inspector general auditors accused RTI of faulty reporting, monetary misuse, and failure to follow contracts.

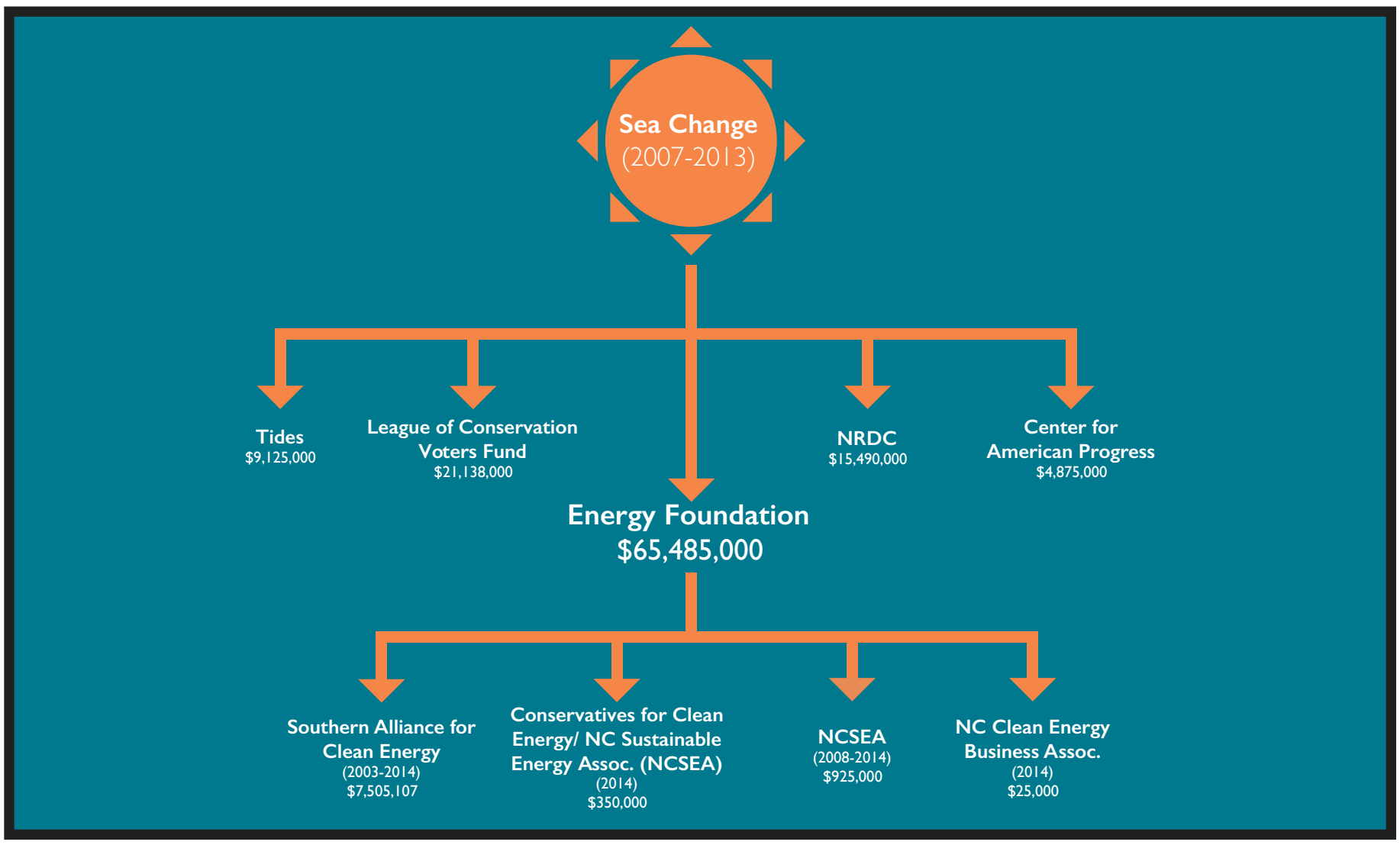
4. North Carolina Sustainable Energy Association (NCSEA)

NCSEA has received 46 percent of its grant funding from the Energy Foundation since 2008. Tom Steyer, the hedge-fund billionaire from San Francisco, granted $3 million through his foundation TomKat Charitable Trust to the Energy Foundation. (To read more about the Energy Foundation, see No. 2.) It has been well documented that Steyer has a financial stake in the politically aided growth of renewable investments.

For more on how liberal groups fund environmental causes, and why, go to mappingtheleft.com

Conclusion

It is unfortunate that Leslie is fixated on the Koch brothers, when far more people and significantly larger pools of money fund the solar and wind power industry. Wealthy, self-interested businessmen are largely funding the government cronyism behind the renewable industry exploiting political privilege for personal gain. That's the real news – for journalists who are willing to face the facts.■



NC Employment Rises 135K over Year

BY MATT CAULDER

According to a North Carolina Division of Employment Security news release, North Carolina's July smoothed seasonally adjusted unemployment rate was 5.9 percent, a 0.1 increase over June's unemployment rate.

The July unemployment rate, however, was 0.2 percentage points lower than a year ago.

The national unemployment rate remained unchanged at 5.3 percentage points.

The number of people unemployed increased 3,328 over the month to 279,968, with the total number of unemployed decreasing by 2,043 over the year.

The number of people employed decreased 11,743 over the month to 4,482,155, bringing the total change in employment for the year to an increase of 135,790.

"The July unemployment rate, however, was 0.2 percentage points lower than a year ago."

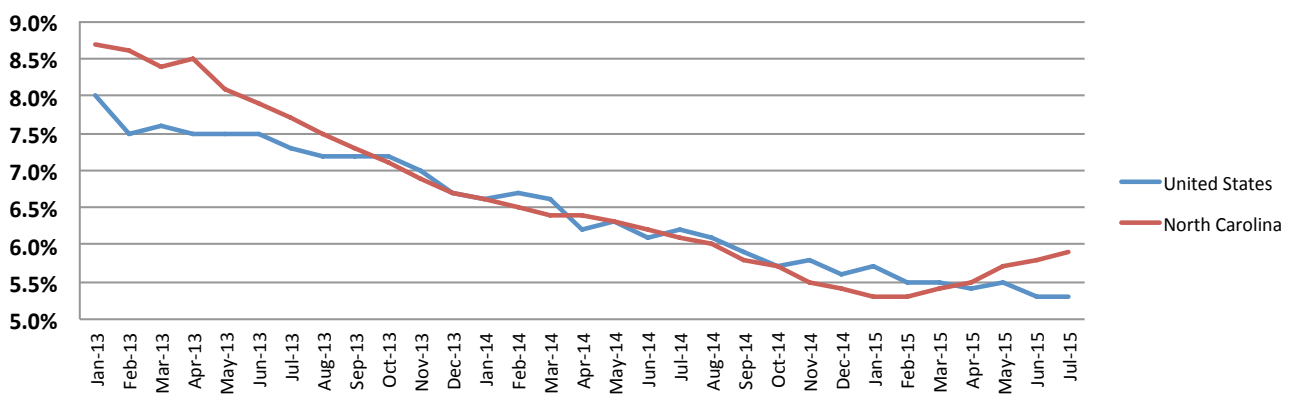
In July, unemployment rates, not seasonally adjusted, increased in 93 counties, decreased in four, and remained unchanged in one.

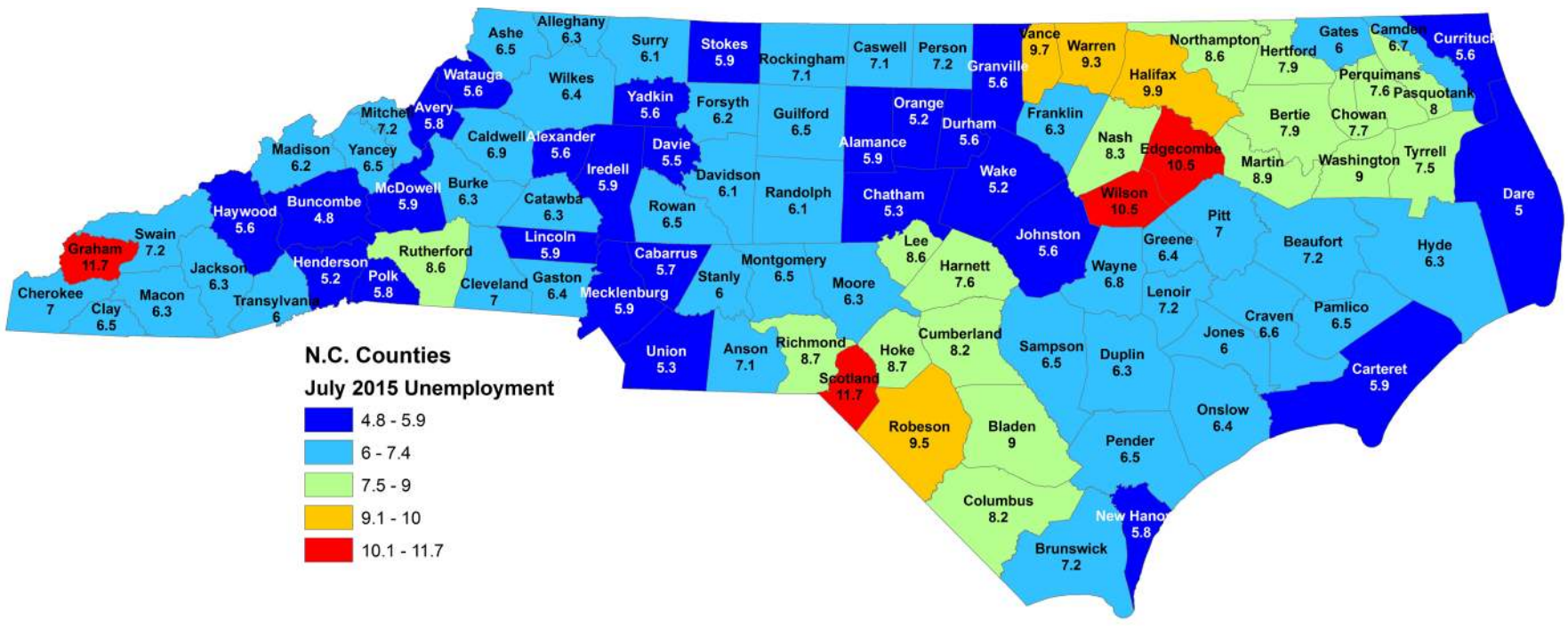
Buncombe County had the lowest unemployment rate at 4.7 percent, while Graham County had the highest rate in July at 12.3 percent.

The not-seasonally adjusted unemployment rates decreased in 72 counties when compared with the same month last year, increased in 20, and remained unchanged in eight.

Ten of the state's metro areas experienced rate decreases over the year, four increased, and one remained unchanged.

Among metro areas, Rocky Mount experienced the highest unemployment rate at 8.9 percent, and Asheville, at 5 percent, had the lowest unemployment rate.■





2008 - 2013 - 2015 N.C. Unemployment Rate Comparison

County	10-08	1-13	7-15	County	10-08	1-13	7-15	County	10-08	1-13	7-15	County	10-08	1-13	7-15
Alamance	7.1	10	5.9	Cumberland	6.8	11	8.2	Johnston	6.1	8.9	5.6	Randolph	6.7	11.1	6.1
Alexander	7.9	10.2	5.6	Currituck	3.6	10.5	5.6	Jones	6.8	10.7	6	Richmond	9.5	13.6	8.7
Alleghany	6.6	12.6	6.3	Dare	4.2	20.1	5	Lee	8.2	12.7	8.6	Robeson	8.1	13.9	9.5
Anson	9.5	12.8	7.1	Davidson	7.4	10.7	6.1	Lenoir	7.8	10.8	7.2	Rockingham	7.9	11.7	7.1
Ashe	6.3	13.8	6.5	Davie	6.9	9.3	5.5	Lincoln	7.2	10.8	5.9	Rowan	7.2	10.3	6.5
Avery	5.6	13.7	5.8	Duplin	5.9	10.6	6.3	Macon	5.3	13.3	6.3	Rutherford	8.7	14.7	8.6
Beaufort	7.3	11.8	7.2	Durham	5.4	7.9	5.6	Madison	5.7	10.1	6.2	Sampson	5.4	9	6.5
Bertie	7.5	13.5	7.9	Edgecombe	11.4	16.6	10.5	Martin	6.9	12	8.9	Scotland	11.7	17.8	11.7
Bladen	8.1	13.6	9	Forsyth	6.3	9.4	6.2	Mcdowell	8.1	11.9	5.9	Stanly	7	10.1	6
Brunswick	6.9	12.2	7.2	Franklin	6.7	9.6	6.3	Mecklenburg	6.6	9.7	5.9	Stokes	6.1	9	5.9
Buncombe	5.1	8.1	4.8	Gaston	7.7	11.1	6.4	Mitchell	7.7	15.5	7.2	Surry	8.3	11.1	6.1
Burke	8.6	11.6	6.3	Gates	5.2	8.3	6	Montgomery	8.3	11.1	6.5	Swain	5.5	19	7.2
Cabarrus	6.4	9.4	5.7	Graham	8.2	20.4	11.7	Moore	6.4	10.1	6.3	Transylvania	5	11.5	6
Caldwell	8.3	12	6.9	Granville	7	10.3	5.6	Nash	8.6	12.7	8.3	Tyrrell	6	13	7.5
Camden	5.4	9.4	6.7	Greene	7	9.8	6.4	New Hanover	5.4	10.4	5.8	Union	6	8.6	5.3
Carteret	5	10.6	5.9	Guilford	6.7	10.3	6.5	Northampton	7.7	12.1	8.6	Vance	9.8	13.8	9.7
Caswell	8.2	10.4	7.1	Halifax	9.7	14.7	9.9	Onslow	5.8	9.6	6.4	Wake	5	7.8	5.2
Catawba	7.9	11.6	6.3	Harnett	7.1	11.5	7.6	Orange	4.2	6.6	5.2	Warren	9.7	12.9	9.3
Chatham	5.5	7.5	5.3	Haywood	5.7	10.2	5.6	Pamlico	5.7	11.2	6.5	Washington	7.2	13.5	9
Cherokee	8.7	14.1	7	Henderson	5.1	7.9	5.2	Pasquotank	6.4	12.4	8	Watauga	4.1	9.5	5.6
Chowan	8.5	11.3	7.7	Hertford	6.6	11.5	7.9	Pender	6.4	11.5	6.5	Wayne	6.3	9.8	6.8
Clay	6	10.6	6.5	Hoke	6.3	9.7	8.7	Perquimans	6.7	11.1	7.6	Wilkes	8.2	11.7	6.4
Cleveland	8.5	11.3	7	Hyde	4.6	15.7	6.3	Person	7.3	11.1	7.2	Wilson	7.9	13	10.5
Columbus	8.1	13.8	8.2	Iredell	6.5	10.4	5.9	Pitt	7	9.9	7	Yadkin	6.1	10.1	5.6
Craven	6.2	10.8	6.6	Jackson	4.3	11.3	6.3	Polk	5	8.2	5.8	Yancey	7.2	13.8	6.5

Scandal

Do NCAE Membership Numbers Add Up? How Will That Affect Its Fate?

BY BOB LUEBKE

State Auditor Beth Wood finds herself in the middle of what could be a brewing battle. The General Assembly has asked Wood's office to verify membership numbers for the state's largest teacher association/union before allowing the organization to provide dues checkoff privileges to its members.

Officials from the auditor's office said the report will be completed in the next several weeks.

So what's the backstory to this brewing controversy?

In 2014 legislation (HB 1133) was passed that required the state auditor to certify that the North Carolina Association of Educators (NCAE), the state's largest association of educational employees, has 40,000 members, and that the majority of whom are public school teachers.

It should be noted NCAE does not classify itself as a union. However, NCAE is an affiliate of one of the largest and most politically active teachers unions in the nation, the National Education Association (NEA). All NCAE members are also members of NEA.

It's no secret NCAE is no friend of Republican state legislators or their education policies. NCAE has fought hard and spent millions to defeat Republicans. Over the last two election cycles, NEA Advocacy Fund has donated $31.1 million, making it one of the 10 largest Super PACs. Those battles weren't forgotten when Republicans won majorities in both the North Carolina House and Senate.

In 2011, legislation eliminating dues checkoff for NCAE members was signed into law. NCAE immediately challenged the law and won a permanent injunction against implementation on the grounds that the law was only meant to harm NCAE.



While dues checkoff continued, NCAE and Republican legislators found themselves battling in court over the constitutionality of various education reforms such as vouchers and charter school funding.

Then HB 1133 was passed.

According to those in the know, however, certifying that its membership is above 40,000 may not be an easy task. North Carolina is one of 20 state affiliates whose 2013 membership was lower than membership in 1994. According to Education Intelligence Agency, a website dedicated to tracking union activity in public education, NCAE active membership in North Carolina declined 46 percent in the last five years prior to 2013-14, and total NCAE membership declined about 36 percent over the same period, one of the largest declines in the nation. And 2013-14 membership numbers for NCAE were listed at 39,448.

We should remember these are numbers for 2013-14, not current numbers. However, considering the steady decline in union membership nationally, there is little reason to suspect significant improvement in the numbers.

The case is important because dues checkoff allows members to have membership dues withheld from their checks and paid directly to an organization by employers. The provision allows an organization to save possibly millions because it doesn't have to actually process membership fees. The money goes directly to the organization. It's a considerable financial benefit conferred upon private organization, paid for by taxpayers.

Civitas has actively fought against dues checkoff. In 2011 when legislation to eliminate dues checkoff was introduced, I wrote:

> *The deduction [dues checkoff] allows these organizations to quickly provide hundreds of thousands of dollars in benefits to organizational executives and membership . . . . NCAE frequently criticizes the influence of powerful corporate interests in American politics. However, NCAE and its parent affiliate NEA represent the largest political influence on American politics . . . When your job is to maintain control over a public monopoly, it is not surprising that NCAE and NEA have opposed every major reform provision in North Carolina, including: charter schools, tax credits for parents, merit pay and tying teacher pay to academic performance.*

> *"Simply stated, dues checkoff provides a significant advantage to certain organizations at taxpayers' expense. It's the classic case of government picking winners."*

Simply stated, dues checkoff provides a significant advantage to certain organizations at taxpayers' expense. It's the classic case of government picking winners.

Of course, if the auditor certifies NCAE has 40,000 members, dues checkoff benefits will likely continue. If there are not 40,000 members, dues checkoff benefits will be null and void. And like other organizations, NCAE will be forced to collect its own membership dues. Should that be the case, it will be interesting to see who does the enforcing.

That it's taken this long to learn how many members an organization has is a frustration for many. NCAE officials have not responded to requests to provide valid numbers, and calls to collect the information from individual school districts have met with varying success. At one time, officials in the auditor's office said recently that the report was on hold, pending passage of a bill (SB 3) that would have eliminated dues checkoff provisions for NCAE and other employee associations. That hasn't happened. However, it certainly might have bought the parties involved more time to recruit members or prepare a course of action.

Who knows? All we really want to know is how many members NCAE has.■

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