NC Capitol Connection

AUGUST 2016
VOL. 8, NO. 8

Inside

Vote Boxes p. 7-9
Latest Voter Registration Facts p. 10-11

JUDGE MIKE MORGAN, MEET CANDIDATE MIKE MORGAN

Judge to Hear Voter ID Case While He Campaigns for NC High Court

BY SUSAN MYRICK

Mike Morgan is running for the one opening on the state Supreme Court this year. At the same time, he is the judge who will decide whether Voter ID legislation enacted in 2013 is constitutional according to state law. Morgan, a Democrat, seems to have positioned himself to benefit from an onslaught of media attention just about the time the public gets interested in the November election.

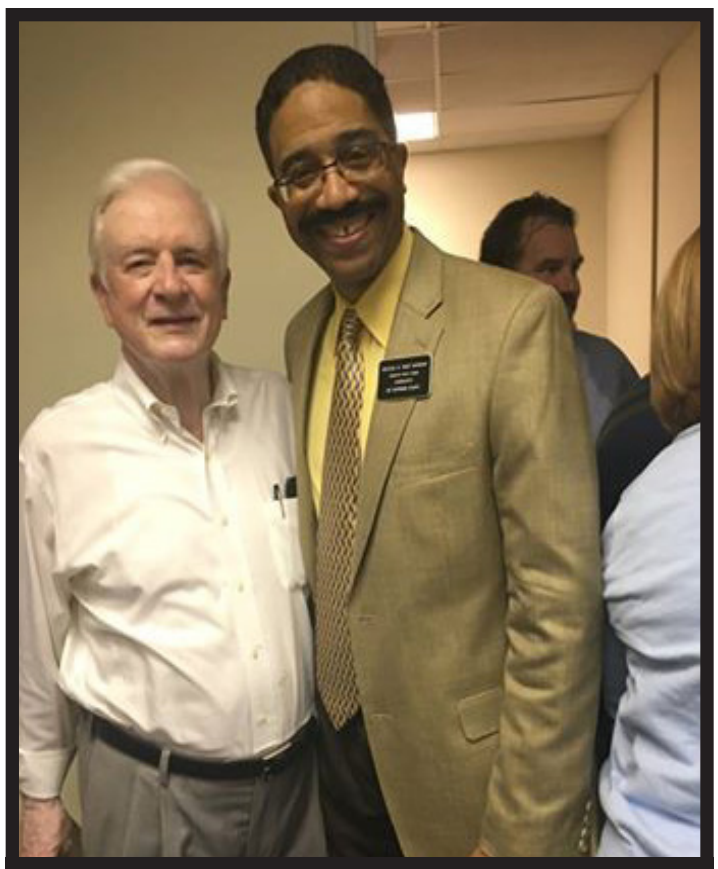
He has conveniently (for him) scheduled the state Voter ID trial to start Sept. 26 – just six weeks ahead of Election Day and more than three years after the case was first filed.

When former Chief Justice Sarah Parker assigned Morgan to the state Voter ID case, he didn't have an election scheduled for November 2016. At the time of his assignment, he was a Superior Court judge who had been re-elected to an eight-year term in 2012. It is troubling that, when Morgan filed to run for North Carolina Supreme Court in March of this year, he did not recuse himself from the Voter ID case.

His decision to remain the judge overseeing the Voter ID case while running for Supreme Court shows a serious lack of judgement. Add to that the fact that he just scheduled the trial to begin on Sept. 26, only six weeks before Election Day, makes one believe he is also arrogant. These are two very bad qualities for any judge – not to mention a justice on the state's highest court.

Voter ID has been one of the biggest news stories in the last three years in North Carolina. Does anyone really think an elected local judge who had been considering a run for statewide office has no interest in what laws will govern his election? Running for an office that will be impacted by a decision in the Voter ID case should be enough for any judge to recuse himself from the case.

In an article elsewhere in this paper, we pointed out that mainstream media appear to have covered up the fact that Mike Morgan, the Voter ID judge, is the same Mike Morgan who is a candidate for election to the North Carolina Supreme Court – an election that will be affected by the Voter ID rules. Perhaps Morgan was hoping that no one would notice until it was too late and by that time his campaign would have benefitted from all the free advertising through news stories about … Voter ID.



Democratic ex-Gov. Jim Hunt and Mike Morgan. (Photo from Morgan Facebook page)

Though it's probably too late to change a judicial assignment made years ago, former Chief Justice Parker's appointment of Morgan should be instructive to other Supreme Court chief justices when they make future assignments. While Parker could not foresee Judge Morgan running for Supreme Court in 2016, she could have taken better care not to assign a decidedly political activist judge to a case that had already become politically divisive on its own merits.

Some might contend that Morgan had serious conflicts in the case, conflicts quite visible in his resume for everyone to see. Morgan, according to his campaign website, is a life member of the NAACP. The NC-NAACP is one of the lead plaintiffs in the corresponding federal lawsuit brought against North Carolina's Voter ID law. The high-profile federal case was filed immediately after Gov. Pat McCrory signed the 2013 legislation and is still in play today. The NAACP has been in the forefront of the political fight against any and all election reforms in North Carolina.

Unfortunately, and curiously, Chief Justice Parker apparently did not consider Morgan's association with the NAACP a problem. If she had, maybe we would not have to contend with Morgan's decision to stay on the case even after he filed to run for the only open seat on the North Carolina Supreme

CONTINUED ON PAGE 4

Energy Mandates Cost NC Thousands of Jobs

BY TIMOTHY J. CONSIDINE AND BRIAN BALFOUR

In the Tar Heel State, government mandates require that 12.5 percent of electricity must come from wind, solar, and other forms of renewable energy by 2021. Many advocates consider this a worthy goal, but at what cost to North Carolinians?

The bottom line: In our state, the mandates will raise electricity bills, cut economic output by billions of dollars, and cost thousands of jobs.

To understand why, let's look at what these mandates actually do.

Legislation passed here in 2007 established so-called renewable energy portfolio standards (RPS), setting goals for a growing share of electricity to be generated by renewable energy. The guidelines established benchmarks for public utilities of 3 percent by 2012, 6 percent by 2016, 10 percent by 2018, and 12.5 percent by 2021 and thereafter.

Because those forms of energy are more costly and less efficient, state governments eager to be seen as "green" had to make their use by utility companies mandatory. In other words, utility companies and ratepayers have no choice but to comply with these laws.



But there's a catch. According to a new study published by the Civitas Institute, North Carolina's RPS will increase state electricity prices by 42 percent by 2020.

The experience of other states shows how this happens. Already, residential electricity prices are 29 percent higher in states with mandatory RPS than in states without them, according to data from the U.S. Energy Information Administration.

It's not surprising then that many states are facing blowback to RPS. Instead of continuing down this path, North Carolina should look to other states that are proceeding with caution or even scrapping their RPS.

At the end of May, Maryland Gov. Larry Hogan vetoed a bill to raise his state's RPS from 20 percent to 25 percent, noting he couldn't support the soaring costs. Last year, Kansas and West Virginia completely repealed their RPS. And the year before that, Ohio hit the pause button on its RPS. In numerous statehouses, legislation has been proposed to either cut RPS or scrap the mandates completely.

With the soaring electricity prices associated with RPS, this shouldn't come as a surprise. According to the Brookings Institution, wind power is twice

CONTINUED ON PAGE 5

NON-PROFIT ORG.
US POSTAGE
PAID
Permit #302
Durham, NC

NC Capitol Connection
100 S. Harrington St.
Raleigh, NC 27603
Vol. 8, No. 8

From the Editor

Why Losing One Basketball Game Is No Big Deal

BY JAMES TYNEN

If there's a contest for the most bogus statistic the North Carolina Left has created this year, here's an early favorite: the laughable claim that losing one basketball game – even the NBA All-Star Game – will cost Charlotte and the state $100 million in lost business.

But that's just typical for the Left and their media minions: fabricating phony numbers, then parroting them over and over. Let's take a closer look at the hidden assumption that special sports events generate windfalls for local communities.

Well, if that were so, Detroit would be a fiscal Eden. As Civitas' Brian Balfour points out, in the mid- to late-2000s Detroit hosted the Major League Baseball All-Star Game, the NCAA Final Four, and the Super Bowl. So its economy is in great shape, right?

Um, Detroit declared bankruptcy in 2013.

In fact, in recent years researchers have shown again and again that most big sporting events have a negligible effect on a community's economic health.

Economists Dennis Coates and Brad R. Humphreys in a revealing paper surveyed the research and found that most big sporting events had little or no impact on local economies – or even a negative effect.

For example, when Houston hosted the MLB All-Star Game in July 2004, sales tax receipts were less than in a typical July.

We can turn back to North Carolina for another revealing example. The NBA once punished Charlotte much more harshly. The league cancelled not just one basketball game but all Hornets games for two whole years – when the league let the franchise move to New Orleans after the 2002 season.

So did the Charlotte economy collapse?

Of course not. For those two years, its population and economy continued to grow at a rapid clip.

In fact, the entire effect of a big-league sports franchise does little for a regional economy.

"If you ever had a consensus in economics, this would be it," Michael Leeds, a sports economist at Temple University who was quoted at marketplace.org about the impact of sports teams on cities. The bottom line, he said: "There is no impact."



Why? Let's try a thought experiment.

Suppose the NBA never picked Charlotte for the All-Star Game in the first place. Would every Mecklenburg County hotel and restaurant be empty that weekend? Would the streets be deserted and businesses shuttered in despair?

Of course not. Both residents and visitors would be shopping at stores, attending events, and seeing the sights.

To be sure, without the All-Star Game, there will be some in the hospitality industry who will lose out on some extra business that weekend, but most of that money will instead be spent elsewhere in Charlotte's economy. Instead of going to the game, people will be patronizing local businesses, from restaurants to auto deals, and otherwise enjoying themselves or engaged in productive activities.

Modern economists now realize that a big sporting event just displaces other economic activity. Local residents, knowing downtown will be crowded, stay home. Other potential visitors who aren't interested in basketball will travel to other cities or visit Charlotte at other times.

In other words, the whole idea that losing a basketball game will cost Charlotte a hundred million bucks is fraudulent.

The reality is that any city's or state's economy is not based on one basketball game, but on helping businesses grow.

That in turn is based on more foundational factors, especially how little government hampers job creation, the quality of infrastructure, how friendly government is to business, and the quality of the workforce. That's what will really drive an economy, not one weekend of basketball.

More important, we should extend that insight to the rest of the tales being tossed around about economic pressure applied over the state's bathroom privacy law. The media has been peddling horror stories about how much the law will cost our state. But in fact those stories are basically the same as the All-Star Game spin.

Sure, a few out-of-state companies figured they could score some PR points by announcing how liberal they are. Some of them are finding out, however, that ordinary people don't want men in women's locker rooms and bathrooms.

The vast majority of companies, however, will do what they've always done: go where they have the best chance to do business and make money. Many of them will do what companies have been doing for decades: looking at North Carolina and seeing it's a good place for people to live and for companies to prosper.

And, of course, that is what the legislature and governor have been doing in recent years.

They have gotten state spending under control, cut taxes, reformed the unemployment system, and otherwise made North Carolina a better place to live and work. Unemployment has plummeted so that our jobless rate now equals the nation's as a whole. That's more important to businesses than anything else.

Remember that when wild figures are being tossed around about how the issue has affected the state.

The Left can't win on the core concern: providing privacy and safety in public bathrooms, locker rooms and showers. So it has to gin up phony figures and PR spin.

Finally, this whole hoopla is a good reminder for us to be skeptical of everything the media and their allies tell us. Use common sense and look at the economic realities, not incredible statistics.

As for any benefits from a basketball game, remember that the Hornets can bring at least two more high-profile NBA games to Charlotte in 2017 … just by making the playoffs. That's another reason to root for the hometown team.■

All contents may be reproduced if used in context and if credit is given to the Civitas Institute.

NC Capitol Connection

PUBLISHER
Francis X. De Luca
francis.deluca@nccivitas.org

MANAGING EDITOR
Jim Tynen
jim.tynen@nccivitas.org

GRAPHIC DESIGNER
Jona McDuffie

Editorial & Advertising
100 S. Harrington St. Raleigh, NC 27603

phone: 919.834.2099

fax: 919.834.2350

NC Capitol Connection is a publication of the Civitas Institute

The Civitas Institute is a 501(c)(3) non-profit dedicated to advancing conservative and free-market principles in the state of North Carolina.
© 2016 by John W. Pope Civitas Institute

Subscribe today...it's FREE!

Check the address label. If the word "subscriber" is not included on the address label of this issue, you must subscribe to ensure you continue to receive *NC Capitol Connection* each month.

NAME

ADDRESS

CITY STATE ZIP

EMAIL

PHONE ❑CELL ❑HOME ❑BUSINESS

Mail to: 100 S. Harrington St. Raleigh, NC 27603 | *web:* nccivitas.org/getnews | *phone:* 919.747.8052

Can State Treasurer Serve Two Masters?

BY MATT CAULDER

Following the news that state Treasurer Janet Cowell has joined the boards of two companies based in the Triangle while still in office, the board of trustees for the North Carolina Retirement Systems is discussing policy changes to ensure that the treasurer is employed solely to serve the state's citizens.

Cowell was absent from the meeting July 21.

The conversation about recommending changes to keep the treasurer, and possibly other members of the Council of State, from holding other employment while in office began at a June 14 meeting between two trustees, Cowell, and at least one attorney.

During the meeting with Cowell, John Aneralla and Michael Mebane, both appointed to the board by Gov. Pat McCrory, expressed concerns about Cowell's employment with two businesses: e-commerce software company Channel Advisor and insurance firm James River Group Holdings. The issue was discussed in the wider lens of what policies should be put in place for future treasurers.

Staff at the Treasurer's Office will study the issue and recommend policy changes at the upcoming meetings of the Investment Advisory Committee (IAC) as well as the Teachers' and State Employees' Retirement System and the Local Governmental Employees' Retirement System board of trustees.

The next IAC meeting will be in September, with the retirement board meeting again in October.

"During the term of the next treasurer, we will likely face a number of critical issues together," Mebane said during the board meeting July 21. "The issue of secondary employment for the treasurer will likely not be a material issue. It's my opinion that there are no looming ethics breaches [here], but a difference of opinion and an ill-advised decision. I do feel a strong stance that further action is required either through this board or IAC, Investment Advisory Committee, or both."

Mebane said the people the state retirement system serves need to trust that the department has their best interests in mind.

"Our board must be comfortable that we are representing our members fully and effectively," John Aneralla said. "Although our mandate is limited, we have a unique perspective, and our members expect that we stand guarding their interests every day as we serve. I have often said that credibility on significant issues depends on how we deal with the small issues like secondary employment.



Janet Cowell

"We need to be good stewards of the small talents that are given to us to look after. During the term that many of you will serve on this board, the retirement model will be challenged, and the board must demonstrate independence and objectivity in order to maintain an effective seat at the table."

"I was actually shocked to learn that the governor, all the way on down, could have another job."

- John Aneralla

When asked what the proposed policies brought to the board in October would look like, Mebane said, "I think a commonsense one would be that you should not seek outside employment while you are serving as treasurer, as the sole fiduciary of the state."

Aneralla also spoke during the discussion about his surprise to learn this wasn't already prohibited.

"I was actually shocked to learn that the governor, all the way on down, could have another job," he said. "I think with the nature of the Treasurer's Office and the nature of the Governor's Office, and [as a] matter of fact any of the Council of State offices, getting paid to be on an outside board or getting paid to be in another job is probably not the best use of their time."■

This story first appeared online in NC Capitol Connection, www.nccapitolconnection.com

Monthly Petition

Tell Roy Cooper: Do Your Job or Resign

North Carolina Attorney General Roy Cooper has repeatedly ignored his sworn duty to defend the laws of our state. In order to appeal to his liberal base of supporters in his gubernatorial bid, Cooper has declined to defend several North Carolina laws and the State Constitution.

He refused to defend a state constitutional amendment, approved overwhelmingly by the voters, that defined marriage as a bond between one man and one woman. He refused to appeal a lower court ruling blocking the Opportunity Scholarship Program, which helps low-income families go the schools they want to go to. He also refused to appeal a ruling that wouldn't let North Carolina drivers select "Choose Life" as a motto on their license plates.

Now he has done it again. According to the Associated Press, Cooper has declined to represent you and the state and appeal the Fourth Circuit Court of Appeals' outrageous decision to overturn the Voter ID law, since it's no longer politically convenient for him to defend the duly passed North Carolina Voter ID law

Not only do North Carolina's citizens deserve the right to have their legitimate votes not be cancelled out by fraudulent ones, we also have the right to an Attorney General who defends the laws of our state and upholds his sworn duty.

But after the Fourth Circuit decision and Cooper's dereliction of duty – **we have neither.**

Now Cooper has a decision to make: Do his job or resign his office.

Sign the petition below and tell Roy Cooper to defend the Voter ID law and appeal to the Supreme Court – ***or resign!***

After signing the petition, call Roy Cooper's office at (919) 716-6400 and tell him to get to work or get out!

Petition to Roy Cooper: Do Your Job or Resign!

Attorney General Roy Cooper has declined to further defend North Carolina's 2013 Election Reform Law that eliminates same day registration and requires a photo ID to vote. We, the undersigned, demand that Roy Cooper do his job and appeal the Fourth Circuit decision to overturn Voter ID to the U.S. Supreme Court, or resign his office!

Name (First, M.I., Last)

Street Address

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

Email

Phone ❑ **Cell** ❑ **Home** ❑ **Business**

Signature **Date**

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

Judge to Hear Voter ID Case While He Campaigns for NC High Court

CONTINUED FROM PAGE 1

Court this year.

Lack of judgement, arrogance and political activism are not the qualities most people are looking for in a judge. Mike Morgan could learn from his opponent in this year's Supreme Court race. Earlier this year, Supreme Court Justice Bob Edmunds recused himself from hearing the case about how sitting justices are re-elected. With Edmunds' recusal, the court's decision in the case resulted in a 3-3 tie, and the result led to the race between Edmunds and Morgan. It appears one of these candidates took the high road, and it wasn't Morgan.



Timeline

August 13, 2013: Case is filed in Superior Court, Orange County, by Alberta Currie, Paris Vaughn, Cassandra Perkins, and two left-leaning groups — the League of Women Voters and the A. Philip Randolph Institute.

January 30, 2015: Judge Mike Morgan hears arguments on merits of state Voter ID lawsuit.

February 27, 2015: Morgan dismisses two of six claims made by the plaintiffs but refuses to dismiss the state Voter ID case.

August 24, 2015: Attorneys representing the state ask Morgan to dismiss the Voter ID case given that the state legislature had relaxed the law allowing people to use excuses called "reasonable impediments" in lieu of providing official identification.

September 24, 2015: Morgan allows state lawsuit against Voter ID to proceed, rejecting the arguments of the state's lawyers. Morgan delayed proceedings until after the March 2016 primary in order to allow plaintiffs to gather evidence that voters are disenfranchised as a result of being asked for proof of identification.

May 20, 2016: Anita Earls of the Southern Coalition for Social Justice (SCSJ) tells Morgan she now has evidence from the March primary to set a trial date for Aug. 8. The SCSJ is representing challengers to North Carolina's Voter ID law. Lawyers for the state ask Morgan to either delay the case or refer it to a three-judge panel. Morgan did not rule at this time but assured both sides that he knew time was of the essence in making a decision.

July 11, 2016: Morgan rejects the request to either assign the case to a three-judge panel or dismiss it altogether. He sets trial start date as September 26, six weeks ahead of November 2016 Election Day and less than five weeks ahead of the onset of in-person early voting.

September 26, 2016: Trial scheduled to begin for lawsuit brought against the state.

October 27, 2016: One-stop early voting begins.

November 8, 2016: Election Day■

N&O, AP Hide Real Story on Candidate/Judge Morgan

BY SUSAN MYRICK

We shouldn't be surprised when stories in the mainstream press leave out important information readers need to be fully educated. Omitting the information usually serves the interests of the left-wing press and the agenda they are working hard to perpetuate.

Today's exhibit A involves the recent articles regarding Wake Superior Court Judge Mike Morgan scheduling a hearing on a three-year-old Voter ID challenge barely a month before early voting begins this year. Many of the stories appearing in print and online across the state were written by Anne Blythe of the (Raleigh) News & Observer and Gary Robertson of The Associated Press.

As noted elsewhere in this issue, what they both have artfully left out in their widely published articles is the very important information that Mike Morgan, the Voter ID judge, is the same Mike Morgan who is a candidate for election to the North Carolina Supreme Court – an election that will be affected by the Voter ID rules.

Nor, in articles about his race for the state's highest court, is there a clear indication he is also judging the Voter ID rules.

In the case of the N&O's Blythe, she has written a number of stories on the NC Voter ID case and Judge Morgan, while also writing stories on the Supreme Court race and candidate Mike Morgan. She even wrote a March 21 story featuring Morgan filing for the Supreme Court race. Yet she never mentioned that Morgan was the Superior Court judge presiding over the Voter ID challenge in state court. Voter ID has been one of the biggest news stories in the last three years in North Carolina, so believing Blythe's failure to mention that Morgan is presiding over the state case is an oversight seems preposterous.

When writing an article on either the court case or the Supreme Court race, wouldn't a reporter doing an accurate



story include the fact the main character in the story, the judge, is also a candidate impacted by an important case before him? Does anyone really think an elected local judge considering a run for statewide office has no interest in what laws will govern his election? Running for an office that will be impacted by a decision in the Voter ID case should be enough for any judge to recuse himself from the case, but two influential news sources make no mention of that in any articles.

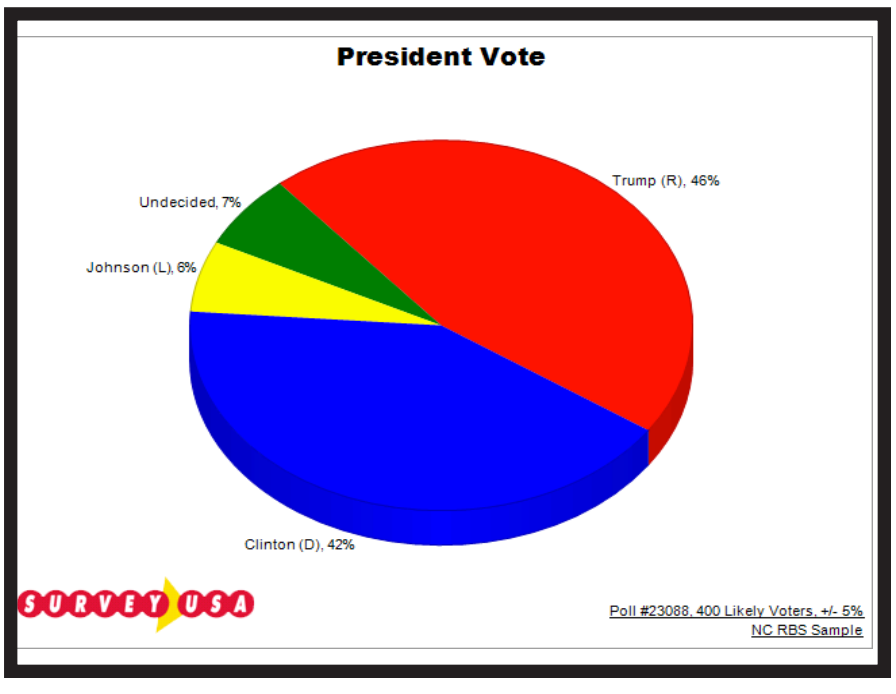
Nor have journalists acknowledged political party affiliation in the articles dealing with the Voter ID case before Morgan. Yet they know he is a Democrat because he is identified as one in articles about his candidacy for the NC Supreme Court.

He's the challenger to incumbent Justice Bob Edmunds. Although the election is technically "nonpartisan," both candidates are usually identified by party in these types of articles. (Edmunds is a Republican.) And rightly so: Knowing a judge's background is useful to voters.

In any case, journalistic guidelines call for news stories to identify party affiliations when they are at all relevant – with elections being the most obvious example.

Civitas asked Blythe and Robertson for an explanation. We have (as of this writing) not heard from Blythe. Robertson said he would keep this issue in mind in the future.

So why have experienced journalists for major news sources failed to include these relevant facts? When something this blatant occurs repeatedly, it almost has to be intentional, not an oversight.■



Flash Poll Looks at Presidential Race

Our recent flash poll asked NC voters who they preferred in the presidential race. We asked:

If the election for president of the United States were today, and you were filling out your ballot right now, who would you vote for? Republican Donald Trump? Democrat Hillary Clinton? Or Libertarian Gary Johnson?

46% Trump (R)
42% Clinton (D)
6% Johnson (L)
7% Undecided

SurveyUSA interviewed 400 likely November voters from the entire state of North Carolina 07/31/16 through 08/02/16 using blended sample, mixed mode. Respondents reachable on a home telephone were interviewed on their home telephone in the recorded voice of a professional announcer, using Registration-list Based Sample (RBS) from Aristotle of Washington, DC. Respondents not reachable on a home telephone were shown a questionnaire on their smartphone, tablet or other electronic device.■

Energy Mandates Cost The State Thousands of Jobs

BY CONTINUED FROM PAGE 1

as expensive as conventional power, and solar power is three times as expensive.

These higher energy costs are passed on to ratepayers, depressing economic output and disproportionately hurting the poor, who spend a larger fraction of their incomes on electricity.

Our new RPS research sheds more light on the degree and scope of these costs and explains how they impact various states differently.

Understandably, we find that states with moderate RPS goals experience moderate rate increases, while states with ambitious RPS goals experience more significant rate increases.

The economic costs associated with RPS go beyond heftier electricity bills for ratepayers. Because energy is an essential factor of production activities, businesses forced to absorb higher electricity bills must seek to curb expenses elsewhere – often resulting in job or wage reductions.

As a result, net economic output in states with RPS is reduced – often by billions of dollars. Our study concludes that North Carolina's RPS will reduce its economic output by more than $7 billion in 2020, for example.



Finally, we know that less economic output means fewer jobs. We anticipate RPS to cost thousands of jobs per state, varying based on each state's unique labor market. For North Carolina, we estimate that RPS will cost our state 50,000 jobs in 2020 alone.

Naturally, advocates of RPS will say the mandates create some jobs in building and maintaining solar, wind, and other renewable capacity. The number of these jobs, however, is dwarfed by the job losses caused by reduced economic output.

Legislation was introduced last year to freeze North Carolina's RPS at current levels and protect businesses and consumers from harmful spikes in energy costs.

That legislation unfortunately failed, and disappointingly no legislative momentum to curb the RPS emerged in this year's legislative session.

As our research shows and numerous states are recognizing, forcing inefficient and expensive renewable energy into the mix imposes significant harm on the state's economy, especially harming the state's most economically vulnerable.

It's time for North Carolina lawmakers to join these other states and ditch our state's renewable energy mandate and provide low-income households relief from rising utility bills.

Doing so would also make North Carolina more competitive for job and investment growth. At minimum, it is time to freeze the mandate and more closely examine its real costs.■

Timothy J. Considine is professor of energy economics at the University of Wyoming. Brian Balfour is executive vice president at the Civitas Institute.

To read the study, go to tinyurl.com/Civitas-RPS-Study

New Fed Overtime Rules Worry Business Owners

BY MATT CAULDER

Business owners across the country are trying to figure out how to cope with a new federal regulation handed down by the Department of Labor that will more than double the salary threshold at which salaried employees must be paid overtime.

The Fair Labor Standards Act outlines when employers must pay overtime to salaried workers who put in more than 40 hours in any given week, based on their weekly salary.

The current salary threshold is $455 a week, or $23,660 a year. The new policy, set to become active Dec. 1, mandates that employers must provide overtime pay to salaried employees who are making up to $47,476 a year, or $913 a week. Workers earning salaries in excess of this amount are exempt, and there are also exemptions for some workers under the salary threshold meeting certain vaguely defined classifications of job responsibilities.

Claude and Betsy Dawson own a small disaster-cleanup company in the Charlotte area and are facing this new regulation – and they are worried about what it means for their business and their 18 employees.

Betsy said a large part of her and her husband's business is made up of commission-based sales employees and the change will make the base cost of having a commission employee prohibitively expensive.

"You are no longer able to hire somebody in your marketing or sales department under $47,000 and then offering compensation by commission the way we have been," she said. "Instead, [we will] have to hire that person out of the gate offering them either a 40-hour-a-week job at whatever wage, and then you're going to have to monitor their hours."

In other words, instead of being able to hire an employee at a base salary of $25,000 or $30,000 plus commission-based bonuses, the Dawsons will have two unpalatable choices: to pay them more and not have them work on commission, or instead pay them by the hour plus commission, but micromanage their hours to ensure their required overtime pay doesn't bust the company's budget.

Another big concern is that the company either won't be able to afford to send salespeople to weekend conferences that help them make valuable contacts, or, if they do go, they will lose sales time because they will have to take weekdays off to be able to go to the conferences and still remain under the 40-hour threshold.

Also, Betsy is concerned that salespeople won't have the incentive to go out and make sales when they are making more as a base wage.

"They're really not going to have an incentive to go out and sell," she said.

"It eliminates one of the most basic capitalist ideas – that a person can go out and achieve financial stability by his or her performance in receiving a commission for measurable accomplishments or sales," Claude said. "In business, that person who will work for commission only is the person who can benefit."

Under the regulation, the only portion of commissions



that could be counted in overall compensation for the overtime eligibility would be 10 percent of the base salary, in effect requiring the Dawsons to pay sales employees a base salary of about $43,000, instead of about $25,000.

"They can make more than 10 percent commission, but only 10 percent of their salary counts [toward the salary threshold]," he said.

Betsy said the government is out of touch with the nation's business needs, especially those of small enterprises.

"There is just such an out-of-touch reality about government with business," she said. "They just think businesses are sitting back every day and people are throwing money at them."

She said that in nine years her husband has not taken a raise from their business, but rather has been focused on growing the business, and she thinks the government believes the situation to be the opposite.

"Nine years owning the company, and he's never gotten a raise! I just feel like the government doesn't get that," she said. "They are just mainly politicians or lawyers and have never had to go out and deal with the regulations."

Betsy said she and her husband spend hours a month filling out federal paperwork and are constantly adjusting to meet new federal demands on their business.

"I don't think any politician has any idea how scary it is to be at the top of a small business," she said. "Everybody is coming at you from every end. It's a constant onslaught."

Claude said he believes that the goal of the government was to hit at large businesses who are taking advantage of workers, but that the change is hurting small business owners instead. He said the changes will mean more oversight of employees and more costs, and very well may mean he has to let some of his employees go.

When asked if he may have to fire employees because of the overtime rule, Claude replied, "Yes. It's unfortunate and damaging to our business. The government oversight and what small businesses have to do to meet [government's] needs and wants is extensive and time-consuming, which is expensive."

Threshold will increase automatically in three years

In addition to this increase, the overtime level will again increase in 2020 and every three years following that on a recurring basis.

The level is based on the average salary of the 40th percentile of the lowest Census region, currently the South.

The expected 2020 level will be $984 a week, or $51,168.

The threshold was last updated in 2004, when the $455 weekly salary threshold was installed. Before that, the threshold was last raised in 1975, when the level was set at $155 at week.■

This article originally appeared online at nccapitolconnection.com.

Cooper Records Reveal Big Out-of-State Donations

Donors Include Soros, Ex-NBA Chief, Steyer

BY A.P. DILLON

It's being widely circulated that the leaked emails from the Democratic National Committee show collusion and cheering of economic threats by certain businesses over North Carolina's House Bill 2.

"What's most disturbing is that these emails have clearly shown something we suspected all along," Gov. McCrory said July 26. "That's the state of North Carolina, the city of Charlotte and especially small businesses are being used as a pawn by Roy Cooper, by the mayor of Charlotte and by the Democratic Party on an issue that was made up purely for political purpose and to raise money."

But how close is the North Carolina media looking at gubernatorial candidate Roy Cooper's involvement, donations to his campaign or mentions of him in the DNC leaks?

So far, not very closely.

The second-quarter finance reports for NC Attorney General Roy Cooper's gubernatorial campaign show that the CEO of Lambda Legal, Rachel Tiven, gave the campaign $5,100. Tiven did not list Lambda Legal as her employer on the donation filing, but instead her most recent former employer.

This donation is a problem because Lambda Legal is one of the parties suing McCrory and the state of North Carolina over HB 2. Cooper has abandoned his job duties and refused multiple times to defend McCrory or the state when it comes to HB 2.

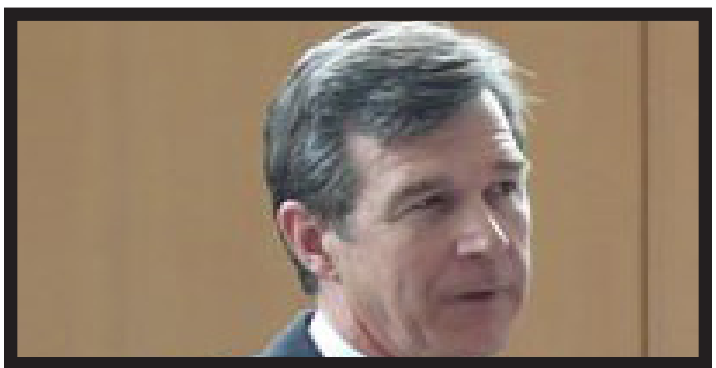
Tiven isn't the only donor who has ties to the HB 2 controversy. Cooper's second quarter financials also show that former NBA Commissioner David J. Stern also gave Cooper $5,100 on June 8.

A little over a month after Stern's donation, the NBA pulled the 2017 All-Star Game out of Charlotte, as the league had been threatening to do for months. The preseason NBA games will go on as planned, however, in China, which is known for its anti-LGBT laws and human rights violations.

Another high-profile name was found in Cooper's most recent campaign finance report: wealthy hedge fund manager, political activist and top Democrat fundraiser Tom Steyer.

Steyer has been a devout big "green" proponent and climate change true believer. In 2013, The Washington Post described him as "the man who has Obama's ear when it comes to energy and climate change."

As such a climate change proponent, Steyer refused to endorse Hillary Clinton until June, when it became clear Bernie Sanders was out. Steyer, however, is also a top-tier Clinton Foundation donor.


Roy Cooper

Clinton Foundation donors, including Steyer, pumped over $13 million into Virginia Gov. Terry McAuliffe's campaign. McAuliffe was chair of both Bill Clinton's 1996 re-election campaign and Hillary Clinton's 2008 presidential attempt. McAuliffe's very first executive order as governor was prohibiting discrimination based on "sexual orientation" or "gender identity."

In 2014, Steyer was notably invested in Sen. Harry Reid to the tune of $5 million. That same 2014 election cycle, Steyer dropped a total of over $75 million.

Also, the leaked DNC emails showed a meeting at Goldman Sachs between Cooper and various individuals. That meeting was facilitated by Zachary Allen, a DNC employee and owner of TIPAH Consulting.

While the Goldman Sachs employee engaged in that leaked email conversation with Allen was not a donor, two other prominent Goldman Sachs employees were. Both Paul Parker and Timothy Ingrassia work as co-chairs of global mergers and acquisitions at Goldman Sachs. The pair gave donations to Cooper exactly one month apart.

Other notable donors included the CEO of HBO, the wife of The Walt Disney Co.'s board chair, Saturday Night Live's Lorne Michaels, and clothing mogul Ralph Lauren.

Not to be left out of the list is the billionaire who has funded nearly every far Left and progressive group at one point or another, George Soros. Both he and one of his sons, Alexander, gave donations to Cooper totaling $10,200.

Receipts of Note:

- 04-07-16, George Soros $5,100 (Tides Foundation, Open Society Foundation)
- 04-07-16, Alexander Soros $5,100 (student)
- 04-14-16, Cindy Harrel-Horn, $5,100 (wife of Alan Horn, Disney board chair)
- 04-26-16, William E. Little Jr., $1,000 (#9 Obama super PAC donor in 2012)
- 04-26-16, Thomas Woodbury, $5,100 (HBO CEO)
- 05-01-16, Paul Parker, $5,100 (Goldman Sachs, Global Mergers & Acquisitions)
- 05-02-16, Dan Bross, $5,100 (director of corporate citizenship, Microsoft)
- 05-15-16, John R. Kosa, $5,100 (bio/worked at Stanford)
- 05-18-16, George Little, $1,000 (brother of William Little, Obama super PAC donor)
- 05-18-15 ,Lorne Michaels, $1,000 ("Saturday Night Live" producer)
- 06-01-16 Timothy J. Ingrassia, $1,000 (Goldman Sachs, Global Mergers & Acquisitions)
- 06-06-16 Tom Steyer, $5,100 (major DNC figure/ donor)
- 06-07-16 Ralph Lauren, $5,100 (Ralph Lauren Clothing, Polo)
- 06-08-16 David J. Stern, $5,100 (former NBA commissioner)
- 06-14-16 Stephen Henderson, $2,000 (held fundraiser at NYC home in June for Cooper)
- 06-24-16 William E. Little Jr., $2,000 (Obama super PAC donor in 2012)■

"Not to be left out of the list is the billionaire who has funded nearly every far Left and progressive group at one point or another, George Soros."

This article originally appeared on A.P. Dillon's website, ladyliberty1885.com.

Democrat Leaks Spotlight NC Donor, Fundraiser

Documents Link Supporters to Possible Federal Appointments

BY NCCC STAFF

The names of two North Carolinians who provided significant donation and fundraising support for the Democratic National Committee (DNC) and Hillary Clinton appeared in documents released recently by WikiLeaks.

The Daily Caller reported that the 20,000 hacked communications and other records included a spreadsheet and emails sent between DNC finance team officials that discussed federal appointments for large donors and fundraisers. The individuals with Tar Heel ties were donor Dr. Anita Jackson of Raleigh and fundraiser Diane Robertson of Carrboro.

"The disclosed DNC emails sure look like the potential Clinton administration has intertwined the appointments to federal government boards and commissions with the political and fundraising operations of the Democratic Party," Ken Boehm, chairman of government watchdog group National Legal and Policy Center, told The Daily Caller.

The names of Jackson and Robertson were supplied in an April 21 email response by Jordan Vaughn, the national finance director for the DNC's African American Leadership Council, to a "last call for all boards and commissions" by Jordan Kaplan, the DNC's national finance director.

They were among 23 corporate executives and professional fundraisers recommended for possible appointments to government agencies or commissions.

Jackson is an otolaryngologist and is president of Greater Carolina Ear, Nose, and Throat, according to her LinkedIn profile, and is also interim director of a biomanufacturing research institute at North Carolina Central University.

Records compiled by the Center for Responsive Politics show she has donated tens of thousands of dollars to Democrat campaigns since the late 1990s, including $72,700 to the DNC ($38,400 of that for the 2016 election cycle), and $2,700 to Hillary Clinton's presidential campaign. Past contributions include $7,000 to Barack Obama for his two White House runs, $700 for former Sen. Kay Hagan, and $1,000 to Al Sharpton for his 2004 pursuit of the presidency.

Robertson is a well-connected Democrat activist and fundraiser. Her LinkedIn profile boasts stints as director for liberal activist group Democracy North Carolina; precinct chair for the NC Democratic Party; member of the DNC Finance Committee; co-chair of the Obama "Victory Trustees" in the South; regional field director for Obama's Organizing for America; and board member for Planned Parenthood South Atlantic.

Records aren't clear about her fundraising success – the Center for Responsive Politics shows only a $500 donation in 2012 to President Obama – but she was clearly recognized among the top movers and shakers in the documents released by WikiLeaks.

Robertson also is among the leaders of the Chapel Hill-Carrboro NAACP.

Last year she accused the Orange County sheriff of racial profiling in traffic stops, and claimed that "this community really isn't that far from Ferguson," referring to the St. Louis suburb that suffered riots and protests following a white officer's shooting of a black suspect.

The Daily Caller reported there is no indication that the donors or fundraisers sought any federal appointments, but the National Legal and Policy Center's Boehm said the fact that Democrats are lining up appointments to federal committees months before the general election is strong evidence of a quid pro quo.

"Having participated in the boards' and commissions' work for President-elect Reagan, I know there's no need to involve partisans months before the election," he told The Daily Caller.

"As with so much associated with the Clinton operations, there is an appearance that these appointments have been pressed into service as a device to raise funds."■

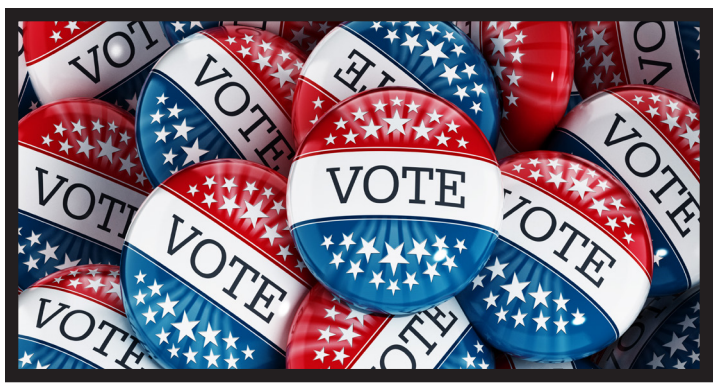
Court Ruling on Voter ID May Open Floodgates to Changes

BY MATT CAULDER

After a panel of three federal judges struck down the state's 2013 Voter ID law recently, observers say the floodgates have been opened for local boards of elections to adjust their own one-stop voting schedules – and more.

The U.S. Fourth Circuit Court of Appeals, known for its left-leaning judges, issued a blunt ruling saying the law was passed with discriminatory intent and said that the "provisions target African-Americans with almost surgical precision."

The ruling implied – through use of vague language that didn't identify the Republican Party by name – leaders in the Republican Party targeted the votes of African-Americans by curtailing the methods in which



that community usually votes.

The ruling recognized that the stated goal of the 2013 law was to defend against voter fraud, but says that the law was imposing "cures for problems that did not exist."

The court did not, however, surgically remove sections of the law that it found cancerous, but instead threw out the entire law.

The ruling stated, "Faced with this record, we can only conclude that the North Carolina General Assembly enacted the challenged provisions of the law with discriminatory intent. Accordingly, we reverse the judgment of the district court to the contrary and remand with instructions to enjoin the challenged provisions of the law."

Civitas Institute President Francis De Luca says that the court ruling throws the baby out with the bathwater, opening up the floodgates for all of the 100 local county boards of elections to write their own rulebook on one-stop voting, including reductions in time and availability of sites.

"The Fourth Circuit ruling does a lot of bad things in term of the voting law," he said.

"All the things that they said are unconstitutional have been found to be constitutional in different rulings. Also, to say that somehow [the voting laws] are discriminatory when they cannot show any one person being prevented from voting by any of these rulings is on its face laughable."

But one of the widest reaching effects of the court ruling beyond removing the Voter ID requirement is the flexibility local boards of elections have in setting up one-stop voting again.

"The really interesting thing is because the 2013 law set very specific standards for one-stop voting in terms of the hours and availability, and that if you opened one site you had to open all sites immediately," De Luca said.

"What [the federal judges] have done by reverting to the previous law is throw back onto the 100 county boards of elections the ability to go back and reopen their entire one-stop voting plan. And also those plans, in terms of the review, now fall back under the old law, not under the new law, in which the legislature had given the state board more authority over one-stop voting sites.

"The local boards now have the freedom to do what they want on one-stop voting, so you could see on the extreme a county like Mecklenburg County opening one one-stop site for 17 days, and that would comply with the law."

De Luca said local boards can potentially save money over their current plans while still serving their communities.

"It's costing them a lot of money," he said. "There's a lot of the counties that actually don't need as much as they have, but because the law required them not to reduce hours, then they really are kind of between a rock and a hard place. This again gives them complete freedom.

"In fact I would recommend that every county board of elections look at their one-stop voting sites and revisit that immediately and make sure that what they do fits their counties," De Luca said. "They can save money, they can better serve their public, and the court has given them carte blanche to do what they want with one-stop voting."

He also said that the ruling opens the door for boards to write voting policies for political gains, as happened in 2008.

"The court, by throwing out the 2013 law in total, has now allowed local boards of election to be completely political, like they were in 2008," De Luca said. "Because in 2008 (some local boards) were very selective with one-stop voting sites. In fact, in Cumberland County they opened one that was right next to [a Barack Obama] campaign rally in 2008. That was where they used the law for completely political purposes: They didn't have other sites open in the county; they opened it on a Sunday near an Obama rally.

"So now all the 100 Republican-controlled county boards of elections can be just as political with it. Remember it's partisan politics, its not racial or anything. These are about winning elections, and since in 2008 Democrat-controlled boards used it to help them win elections, there is nothing preventing county boards from doing the same thing, unless the Fourth Circuit wants to come in and run every county board of elections themselves."

De Luca said the ruling is another example of an out-of-control federal judiciary micromanaging the affairs of the states.

"This is where we just have a judiciary that is out of control, micro-managing the states. Election law has always been left to the states to within certain parameters," he said. "It is the purview of the states to decide how they run their elections."

In a statement, De Luca illuminated the larger issues: "North Carolina's common-sense Voter ID law was passed to preserve the security and integrity of our elections process. North Carolina's voters deserve the confidence that their votes will not be diluted by fraud. Just before a crucial presidential election, the liberal judges of the Fourth Circuit are once again legislating from the bench and seem to be looking for opportunities to overturn North Carolina law at every turn. The continual overreach of the courts like the Fourth Circuit undermines the belief in self-government through elected representatives and our democratic republic."

He continued, "It is simply outrageous that the court cites race as a reason for overturning North Carolina's Voter ID law. No one has been able to point to a single example of a voter being disenfranchised as a result of this law. In fact, voter turnout has increased since the law was enacted."■

General Assembly Finalizes State Budget

The budget as finalized in House Bill 1030, while certainly far from perfect, had several features conservatives could support, including tax cuts, expansion of the opportunity scholarship program and aggressive setting aside of funds in the rainy day fund. It was approved and signed into law.

HB 1030, 2016 APPROPRIATIONS BILL

SENATE

Conference Report Motion 8 to Adopt
Reading, 3rd, 6/29/16

SUPPORT

Republicans (34)

Alexander; Apodaca; Ballard; Barefoot; Barringer; Berger; Bingham; Brock; Brown; Cook; Curtis; Daniel; J. Davis; Gunn; Harrington; Hartsell; Hise; B. Jackson; Krawiec; Lee; McInnis; Meredith; Newton; Pate; Rabin; Rabon; Randleman; Rucho; Sanderson; Tarte; Tillman; Tucker; Wade; Wells

Democrats (2)

Clark; Smith

OPPOSE

Republicans (0)

Democrats (14)

Blue; Bryant; Chaudhuri; D. Davis; Ford; Foushee; J. Jackson; Lowe; McKissick; Robinson; Smith-Ingram; Van Duyn; Waddell; Woodard

SPONSORS Dollar **ROLL CALL** 1016

HOUSE OF REPRESENTATIVES

Concurred in Senate Comm. Sub. 7/1/16

SUPPORT

Republicans (72)

Adams; Arp; Avila; J. Bell; Bishop; Blackwell; Blust; Boles; Bradford; Brawley; Brody; R. Brown; Bryan; Bumgardner; Burr; Catlin; Cleveland; Collins; Conrad; Daughtry; Davis; Dixon; Dobson; Dollar; Elmore; Faircloth; Ford; Fraley; Hager; K. Hall; Hardister; Horn; Howard; Hurley; Iler; Jeter; L. Johnson; Jones; Jordan; Lambeth; Langdon; Lewis; Malone; S. Martin; McGrady; McNeill; Millis; T. Moore; Murphy; Pendleton; Pittman; Presnell; Riddell; Robinson; Ross; Saine; Setzer; Shepard; Speciale; Stam; Steinburg; Stone; Szoka; Tine; Torbett; R. Turner; Warren; Watford; West; Whitmire; Yarborough; Zachary

Democrats (19)

Adcock; Ager; Brisson; Carney; Earle; Floyd; Goodman; C. Graham; G. Graham; Hamilton; Holley; Lucas; R. Moore; Pierce; W. Richardson; Salmon; B. Turner; Waddell; Wray

OPPOSE

Republicans (0)

Democrats (22)

Baskerville; L. Bell; Brockman; Cotham; Cunningham; Fisher; Gill; D. Hall; L. Hall; Hanes; Harrison; Hunter; Insko; Jackson; Luebke; G. Martin; Meyer; Michaux; Queen; Reives; Sgro; Willingham

EXCUSED ABSENCE

Republicans (3)

Hastings; McElraft; Stevens

Democrats (4)

Alexander; Farmer-Butterfield; B. Richardson; Terry

SPONSORS Dollar **ROLL CALL** 1430

Bill Raised Occupational Fees

House Bill 728 increased the fees on several professional licenses for various professions – mostly in the health care industry. It passed in both chambers.

HB 728, AMEND VARIOUS LICENSING BOARD LAWS/FEES

SENATE

Second Reading, 6/30/2016

SUPPORT

Republicans (30)

Alexander; Apodaca; Ballard; Barefoot; Barringer; Berger; Bingham; Brock; Brown; Cook; Curtis; Daniel; J. Davis; Gunn; Harrington; Hise; B. Jackson; Krawiec; Lee; McInnis; Meredith; Newton; Pate; Rabin; Rabon; Randleman; Sanderson; Tillman; Tucker; Wade

Democrats (14)

Blue; Bryant; Chaudhuri; D. Davis; Ford; Foushee; Lowe; McKissick; Robinson; Smith; Smith-Ingram; Van Duyn; Waddell; Woodard

OPPOSE

Republicans (2)

Rucho; Wells

Democrats (0)

ROLL CALL 1040

HOUSE

Concurred in Senate Comm. Sub. 7/1/16

SUPPORT

Republicans (54)

Arp; Blackwell; Boles; Brawley; Brody; R. Brown; Bryan; Bumgardner; Burr; Cleveland; Collins; Conrad; Daughtry; Davis; Dixon; Dobson; Faircloth; Fraley; Hager; K. Hall; Horn; Howard; Hurley; Iler; Jeter; L. Johnson; Jones; Jordan; Lambeth; Langdon; Lewis; S. Martin; McGrady; McNeill; Murphy; Pendleton; Presnell; Robinson; Ross; Saine; Setzer; Shepard; Stam; Steinburg; Stone; Szoka; Tine; Torbett; R. Turner; Warren; Watford; Whitmire; Yarborough; Zachary

Democrats (35)

Adcock; Ager; Baskerville; L. Bell; Brisson; Carney; Cotham; Cunningham; Fisher; Gill; Goodman; C. Graham; G. Graham; D. Hall; L. Hall; Hamilton; Hanes; Holley; Hunter; Jackson; Lucas; Luebke; G. Martin; Meyer; Michaux; R. Moore; Pierce; Queen; W. Richardson; Salmon; Sgro; B. Turner; Waddell; Willingham; Wray

OPPOSE

Republicans (12)

Adams; Avila; J. Bell; Bishop; Blust; Bradford; Dollar; Elmore; Ford; Hastings; Millis; Pittman; Speciale

Democrats (1)

Harrison

EXCUSED ABSENCE

Senate Republicans (2)

Hartsell; Tarte

Senate Democrats (2)

Clark; J. Jackson

House Republicans (3)

Catlin; McElraft; Stevens

House Democrats (6)

Alexander; Brockman; Farmer-Butterfield; Insko; B. Richardson; Terry

NOT VOTING

House Republicans (5)

Hardister; Malone; T. Moore; Riddell; West

House Democrats (3)

Earle; Floyd; Reives

SPONSORS Conrad **ROLL CALL** 1434

Bill Aimed to Protect Military Flights

House Bill 763 would have added requirements to the permitting process for wind farms near military bases, largely to ensure they don't conflict with training exercises or flight paths. It passed in the Senate but did not get out of the House.

HB 763, MILITARY OPERATIONS PROTECTION ACT OF 2016

SENATE

Third Reading, 6/20/2016

SUPPORT

Republicans (30)

Alexander; Apodaca; Ballard; Barefoot; Barringer; Berger; Brock; Brown; Cook; Curtis; J. Davis; Gunn; Harrington; Hise; B. Jackson; Krawiec; Lee; McInnis; Meredith; Newton; Pate; Rabin; Rabon; Randleman; Sanderson; Tarte; Tillman; Tucker; Wade; Wells

Democrats (3)

Clark; D. Davis; Lowe

OPPOSE

Republicans (1)

Hartsell

Democrats (13)

Blue; Bryant; Chaudhuri; Ford; Foushee; J. Jackson; McKissick; Robinson; Smith; Smith-Ingram; Van Duyn; Waddell; Woodard

EXCUSED ABSENCE

Republicans (3)

Bingham; Daniel; Rucho

SPONSORS Millis **ROLL CALL** 912

Bill Proposed Constitutional Amendments

The committee substitute bill for House Bill 3 included three constitutional amendments: (1) Restricting the state's approved use of eminent domain; (2) Capping the state income tax rate at 5.5%, and (3) adding a constitutional right "to hunt, fish and harvest wildlife." The bill was in the House Rules Committee when the session ended.

HB 3, OMNIBUS CONSTITUTIONAL AMENDMENTS

SENATE

Third Reading, 6/28/2016

SUPPORT

Republicans (31)

Sens. Alexander; Apodaca; Ballard; Barefoot; Berger; Bingham; Brock; Brown; Cook; Curtis; Daniel; J. Davis; Gunn; Harrington; Hise; B. Jackson; Krawiec; Lee; McInnis; Meredith; Pate; Rabin; Rabon; Randleman; Rucho; Sanderson; Tarte; Tillman; Tucker; Wade; Wells

Democrats (0)

OPPOSE

Republicans (2)

Barringer; Hartsell

Democrats (16)

Blue; Bryant; Chaudhuri; Clark; D. Davis; Ford; Foushee; J. Jackson; Lowe; McKissick; Robinson; Smith; Smith-Ingram; Van Duyn; Waddell; Woodard

EXCUSED ABSENCE

Republicans (1)

Newton

SPONSORS McGrady **ROLL CALL** 992

Bill Would Have Ended Toll Road Deal

House Bill 954 would have terminated the agreement made by the state with a company to construct toll lanes on a stretch of I-77 near Charlotte. The measure passed the House but the Senate failed to approve it.

HOUSE BILL 954, TERMINATE AGREEMENT FOR TOLLING OF I-77

HOUSE

Second Reading, 6/2/2016

SUPPORT

Republicans (46)

Avila; J. Bell; Bishop; Blust; Boles; Bradford; Brody; R. Brown; Bryan; Burr; Collins; Conrad; Dixon; Dobson; Dollar; Elmore; Ford; Hager; K. Hall; Hardister; Howard; Hurley; Jeter; L. Johnson; Jordan; Lambeth; Langdon; Lewis; Malone; S. Martin; Millis; Murphy; Pendleton; Pittman; Presnell; Riddell; Ross; Setzer; Speciale; Steinburg; Stone; Tine; R. Turner; Warren; Watford; West

Democrats (35)

Adcock; Ager; Alexander; Baskerville; L. Bell; Brisson; Cotham; Earle; Farmer-Butterfield; Fisher; Floyd; Gill; C. Graham; G. Graham; D. Hall; L. Hall; Hanes; Harrison; Holley; Hunter; Insko; Jackson; Lucas; Luebke; G. Martin; Meyer; Pierce; Queen; Reives; B. Richardson; Salmon; Sgro; B. Turner; Willingham; Wray

OPPOSE

Republicans (22)

Adams; Arp; Blackwell; Brawley; Bumgardner; Daughtry; Davis; Faircloth; Fraley; Horn; Iler; McElraft; McGrady; McNeill; Saine; Shepard; Stam; Stevens; Szoka; Torbett; Yarborough; Zachary

Democrats (5)

Carney; Goodman; Michaux; R. Moore; W. Richardson

NOT VOTING

Republicans (1)

T. Moore

EXCUSED ABSENCE

Republicans (6)

Catlin; Cleveland; Hastings; Jones; Robinson; Whitmire

Democrats (5)

Brockman; Cunningham; Hamilton; Terry; Waddell

SPONSORS Jeter **ROLL CALL** 1202

Bill Required Report of Lottery Winnings

House Bill 1047 would have required winners of state lottery games to report their winnings to the state Department of Health and Human Services if they were receiving food benefits. The measure passed the House but failed to clear the Senate.

HOUSE BILL 1047, WELFARE REFORM/FOOD AND NUTRITION BENEFITS

HOUSE

Third Reading, 6/16/2016

SUPPORT

Republicans (70)

Adams; Arp; Avila; J. Bell; Bishop; Blackwell; Blust; Boles; Bradford; Brawley; Brody; R. Brown; Bryan; Bumgardner; Burr; Catlin; Cleveland; Collins; Conrad; Daughtry; Davis; Dixon; Dobson; Dollar; Elmore; Faircloth; Ford; Fraley; Hager; K. Hall; Hardister; Hastings; Howard; Hurley; Iler; Jeter; L. Johnson; Jones; Jordan; Lambeth; Langdon; Lewis; Malone; McElraft; McGrady; McNeill; Millis; T. Moore; Pendleton; Pittman; Presnell; Robinson; Ross; Saine; Setzer; Shepard; Speciale; Stam; Steinburg; Stevens; Stone; Szoka; Tine; Torbett; R. Turner; Warren; Watford; West; Whitmire; Yarborough

Democrats (4)

Goodman; W. Richardson; Salmon; Waddell

OPPOSE

Republicans (0)

Democrats (39)

Adcock; Ager; Alexander; Baskerville; L. Bell; Brisson; Brockman; Carney; Cotham; Cunningham; Earle; Farmer-Butterfield; Fisher; Gill; C. Graham; G. Graham; D. Hall; L. Hall; Hamilton; Hanes; Harrison; Holley; Hunter; Insko; Jackson; Lucas; Luebke; G. Martin; Meyer; Michaux; R. Moore; Pierce; Queen; Reives; B. Richardson; Sgro; B. Turner; Willingham; Wray

NOT VOTING

Republicans (2)

Horn; Zachary

EXCUSED ABSENCE

Republicans (3)

S. Martin; Murphy; Riddell

Democrats (2)

Floyd; Terry

SPONSORS Jones **ROLL CALL** 1279



Voter Rolls Up Statewide, but 26 Counties Lose

BY NCCC STAFF

In two weeks in mid-July, North Carolina's voter rolls increased by 11,437 voters. Democrats added 1,536, Republicans gained 1,984 and Libertarians increased their numbers by 123 voters. The Unaffiliated ranks in North Carolina continue outgrow all the political parties combined; with this group seeing a net gain of 7,794 voters.

It remains to be seen how a federal court ruling that reinstated one-stop voting will affect registration figures.

All the voter registration charts in this NC Capitol Connection are derived from the Civitas website www.carolinatransparency.com/voterregistration.(which is the source of the chart on p. 11) Civitas downloads the latest voter registration from the State Board of Elections website each week, then puts it in a user-friendly format.

Using the chart on the opposite page, you will see that Democrats saw a net loss of voters in 63 counties, Republicans in 24 counties, and Unaffiliated voters experienced a net loss in 11 counties. Voter registration totals fell in 26 counties.

The charts at right show the counties with the most losses and gains for each voter registration block.■

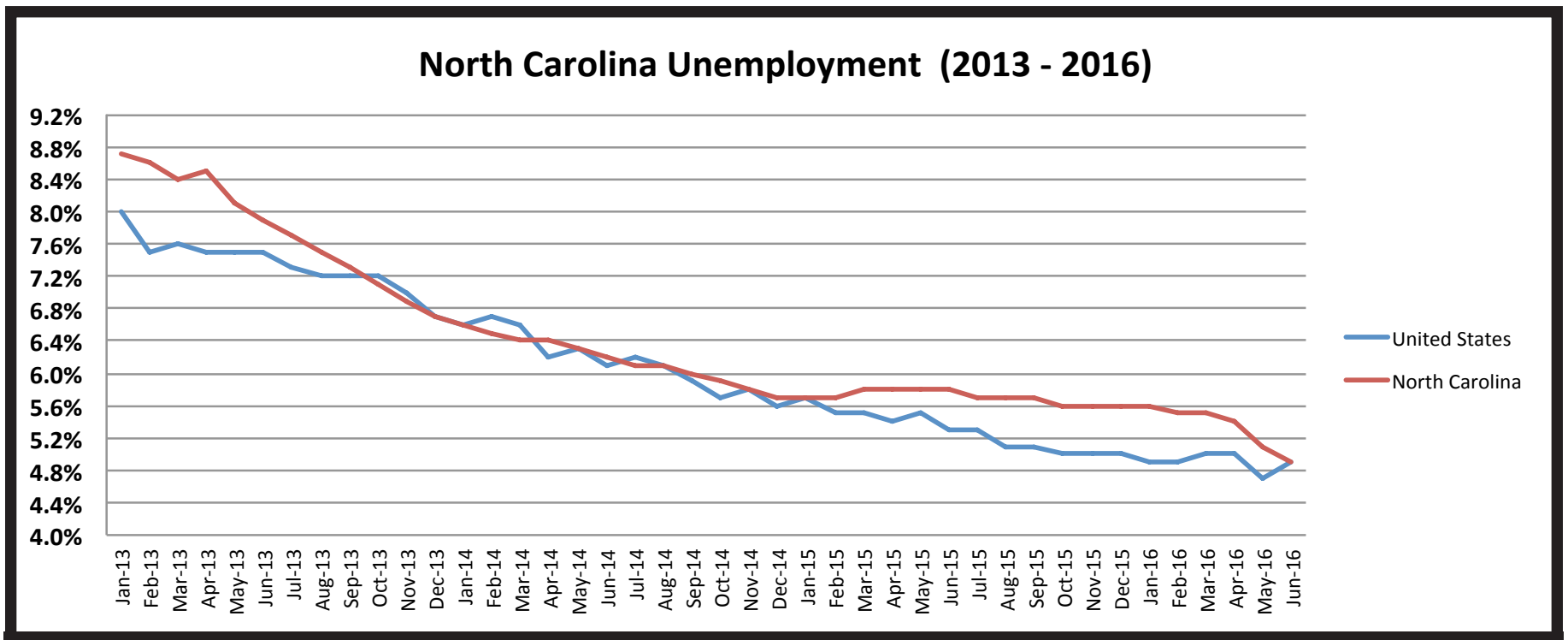
NC Capitol Connection will continue to report the changes in voter registration each month, but for up-to-the minute voter registration statistics (and more) visit: www.carolinatransparency.com/voterregistration.

Top Ten Counties for Political Affiliations Losses (July 9 - July 23, 2016)

County	Total Net Loss	County	Democrats Net Loss	County	Republicans Net Loss	County	Unaffiliated Net Loss
HENDERSON	-127	CUMBERLAND	-314	CUMBERLAND	-125	HENDERSON	-48
MONTGOMERY	-68	COLUMBUS	-78	HENDERSON	-40	BRUNSWICK	-26
SAMPSON	-63	MONTGOMERY	-51	WATAUGA	-27	JACKSON	-24
BRUNSWICK	-62	SAMPSON	-51	SAMPSON	-13	RUTHERFORD	-24
JONES	-56	IREDELL	-49	YADKIN	-12	MONTGOMERY	-11
JACKSON	-39	JONES	-47	EDGECOMBE	-11	PAMLICO	-4
BERTIE	-36	EDGECOMBE	-43	STOKES	-11	GRAHAM	-4
HERTFORD	-35	HALIFAX	-43	WILKES	-9	JONES	-3
EDGECOMBE	-35	HENDERSON	-39	MONTGOMERY	-7	HERTFORD	-3
WATAUGA	-34	UNION	-37	JONES	-6	WILKES	-2

Top Ten Counties for Political Affiliations Gains (July 9 - July 23, 2016)

County	Total Net Gain	County	Democrats Net Gain	County	Republicans Net Gain	County	Unaffiliated Net Gain
MECKLENBURG	3,062	MECKLENBURG	1,187	MECKLENBURG	436	WAKE	1,670
WAKE	2,702	WAKE	846	WAKE	172	MECKLENBURG	1,426
BUNCOMBE	687	BUNCOMBE	209	NEW HANOVER	142	CUMBERLAND	512
NEW HANOVER	637	NEW HANOVER	164	CARTERET	109	BUNCOMBE	367
GUILFORD	535	ORANGE	130	BUNCOMBE	92	GUILFORD	351
JOHNSTON	280	GUILFORD	105	ONSLOW	81	NEW HANOVER	328
ORANGE	247	ALAMANCE	68	GUILFORD	79	FORSYTH	204
FORSYTH	244	DURHAM	58	JOHNSTON	78	JOHNSTON	168
ONSLOW	241	CABARRUS	50	CRAVEN	61	DURHAM	165
CABARRUS	233	GASTON	39	RANDOLPH	61	ONSLOW	155



NC Matches U.S. Jobless Rate

North Carolina's seasonally adjusted June unemployment rate was 4.9 percent, bringing the state in line with the national unemployment rate. According to the state Department of Commerce, the state's jobless rate decreased 0.2 of a percentage point from May's revised rate. The national rate increased 0.2 of a percentage point (to 4.9 percent).
North Carolina's June 2016 unemployment rate was 0.9 of a percentage point lower than a year ago. The number of people employed increased 133,046 over the year.



Changes represent the difference in voter registration between July 9, 2016 and July 23, 2016										
County	Total Voters	Total Change	Democrats	Democrat Change	Republicans	Republican Change	Libertarians	Libertarian Change	Unaffiliated Voters	Unaffiliated Change
STATE TOTAL	6,636,667	11,437	2,659,143	1,536	2,017,603	1,984	28,225	123	1,931,696	7,794
ALAMANCE	96,696	197	38,249	68	32,052	44	357	3	26,038	82
ALEXANDER	23,837	5	6,567	-8	10,491	-5	59	0	6,720	18
ALLEGHANY	7,273	4	2,819	-5	2,432	4	29	2	1,993	3
ANSON	17,152	9	11,902	-7	2,359	5	18	0	2,873	11
ASHE	18,593	32	5,659	6	7,831	11	57	2	5,046	13
AVERY	11,649	13	1,455	-1	6,908	6	42	0	3,244	8
BEAUFORT	32,540	-9	13,861	-23	10,454	-2	86	-1	8,139	17
BERTIE	14,128	-36	10,327	-33	1,495	-4	19	0	2,287	1
BLADEN	22,494	13	13,643	-18	3,198	11	28	0	5,625	20
BRUNSWICK	91,494	-62	26,632	-35	33,847	-1	294	0	30,721	-26
BUNCOMBE	191,292	687	76,236	209	46,725	92	1,154	19	67,177	367
BURKE	57,291	25	19,262	-2	20,053	15	237	2	17,739	10
CABARRUS	126,584	233	39,869	50	47,754	31	579	3	38,382	149
CALDWELL	54,132	29	15,171	-8	24,125	22	310	-1	14,526	16
CAMDEN	7,481	11	2,519	-3	2,209	9	36	0	2,717	5
CARTERET	51,349	220	12,839	1	21,395	109	210	2	16,905	108
CASWELL	15,339	-7	8,221	-28	3,551	7	30	0	3,537	14
CATAWBA	101,504	90	27,090	2	43,535	49	340	-2	30,539	41
CHATHAM	49,284	109	20,244	8	12,740	10	198	4	16,102	87
CHEROKEE	23,461	83	6,610	9	9,700	42	110	1	7,041	31
CHOWAN	10,211	2	5,069	0	2,570	0	19	0	2,553	2
CLAY	8,808	20	2,216	-15	3,510	15	36	1	3,046	19
CLEVELAND	61,203	34	26,465	-8	19,295	24	189	0	15,254	18
COLUMBUS	35,673	-19	21,308	-78	6,323	17	51	-1	7,991	43
CRAVEN	69,703	181	25,043	12	23,801	61	309	-1	20,550	109
CUMBERLAND	201,259	71	95,744	-314	46,834	-125	828	-2	57,853	512
CURRITUCK	18,394	39	4,180	-1	6,482	25	117	-1	7,615	16
DARE	28,756	69	9,206	-3	8,651	41	174	2	10,725	29
DAVIDSON	102,552	38	27,428	-16	47,594	31	378	2	27,152	21
DAVIE	28,847	27	5,692	3	14,848	8	78	0	8,229	16
DUPLIN	29,425	4	14,394	-2	7,800	1	83	0	7,148	5
DURHAM	216,401	230	123,054	58	28,817	-1	924	8	63,606	165
EDGECOMBE	38,045	-35	27,329	-43	6,058	-11	66	-1	4,592	20
FORSYTH	243,360	244	101,923	3	75,154	29	1,022	8	65,261	204
FRANKLIN	41,793	50	18,356	-24	12,646	2	163	3	10,628	69
GASTON	135,984	177	44,959	39	51,857	25	514	4	38,654	109
GATES	8,448	63	4,727	9	1,647	23	21	2	2,053	29
GRAHAM	6,346	-2	2,037	-1	2,750	3	18	0	1,541	-4
GRANVILLE	36,929	68	18,947	33	8,858	0	128	1	8,996	34
GREENE	11,305	30	6,787	7	1,968	5	27	1	2,523	17
GUILFORD	347,270	535	160,927	105	93,594	79	1,481	0	91,268	351
HALIFAX	38,177	-11	25,921	-43	4,572	3	73	-2	7,611	31
HARNETT	70,121	161	26,452	13	24,176	36	416	4	19,077	108
HAYWOOD	42,842	22	17,363	-31	12,643	19	183	2	12,653	32
HENDERSON	79,623	-127	17,784	-39	30,610	-40	343	0	30,886	-48
HERTFORD	14,892	-35	11,080	-26	1,411	-6	34	0	2,367	-3
HOKE	30,860	-6	15,000	-25	6,436	0	141	0	9,283	19
HYDE	3,459	-2	2,101	-3	523	-1	8	0	827	2
IREDELL	113,532	27	30,665	-49	47,043	1	471	2	35,353	73
JACKSON	26,756	-39	10,266	-9	6,855	-5	117	-1	9,518	-24
JOHNSTON	117,103	280	38,049	36	44,923	78	540	-2	33,591	168
JONES	7,346	-56	3,794	-47	1,739	-6	25	0	1,788	-3
LEE	33,922	46	14,635	-28	9,622	12	124	1	9,541	61
LENOIR	38,802	65	21,710	11	9,447	25	89	2	7,556	27
LINCOLN	53,512	68	14,350	-26	23,036	35	187	3	15,939	56
MACON	24,894	-1	6,885	-18	9,912	1	93	1	8,004	15
MADISON	16,332	14	6,752	5	4,231	1	84	-1	5,265	9
MARTIN	17,065	2	10,523	-12	3,274	3	40	0	3,228	11
MCDOWELL	28,408	22	8,852	-10	10,403	15	104	0	9,049	17
MECKLENBURG	671,959	3,062	300,963	1,187	168,018	436	3,200	13	199,778	1,426
MITCHELL	11,066	14	1,150	0	6,779	-1	28	0	3,109	15
MONTGOMERY	15,874	-68	7,346	-51	4,684	-7	44	1	3,800	-11
MOORE	63,872	-11	16,668	-29	26,164	-6	284	1	20,756	23
NASH	65,021	19	33,606	-1	18,444	4	157	2	12,814	14
NEW HANOVER	161,234	637	53,144	164	51,835	142	994	3	55,261	328
NORTHAMPTON	14,623	-15	10,824	-13	1,361	-1	15	0	2,423	-1
ONSLOW	101,196	241	28,711	2	35,971	81	681	3	35,833	155
ORANGE	109,555	247	52,512	130	17,004	12	593	-1	39,446	106
PAMLICO	9,527	-24	4,005	-16	2,954	-4	31	0	2,537	-4
PASQUOTANK	27,779	61	13,498	24	5,707	19	137	3	8,437	15
PENDER	38,128	23	12,961	-28	13,979	22	195	2	10,993	27
PERQUIMANS	9,948	17	4,303	3	2,551	10	31	0	3,063	4
PERSON	26,197	54	12,451	3	6,356	8	84	1	7,306	42
PITT	116,720	23	55,080	-8	30,512	0	566	2	30,562	29
POLK	15,647	15	4,587	0	5,406	3	70	0	5,584	12
RANDOLPH	90,286	138	19,908	-7	44,813	61	350	-1	25,215	85
RICHMOND	30,032	22	17,369	-18	5,484	7	62	-2	7,117	35
ROBESON	74,720	41	50,825	-34	9,255	25	165	2	14,475	48
ROCKINGHAM	59,290	99	23,897	9	19,979	28	194	2	15,220	60
ROWAN	91,934	-13	28,593	-36	37,192	-2	282	1	25,867	24
RUTHERFORD	43,996	1	15,971	-25	15,487	49	180	1	12,358	-24
SAMPSON	36,864	-63	16,646	-51	13,344	-13	91	-2	6,783	3
SCOTLAND	22,293	-11	13,173	-18	3,470	0	41	0	5,609	7
STANLY	39,799	4	11,610	-31	17,289	16	109	-1	10,791	20
STOKES	30,796	-8	8,326	-14	14,691	-11	138	1	7,641	16
SURRY	44,268	63	14,652	-8	18,204	33	121	-1	11,291	39
SWAIN	10,305	9	4,135	-3	2,610	9	33	1	3,527	2
TRANSYLVANIA	24,719	10	6,910	-3	8,070	-2	105	0	9,634	15
TYRRELL	2,446	7	1,482	1	331	2	4	0	629	4
UNION	145,852	118	39,023	-37	61,695	22	571	4	44,563	129
VANCE	29,637	3	20,006	-19	4,315	7	54	1	5,262	14
WAKE	675,519	2,702	257,975	846	185,725	172	3,695	14	228,124	1,670
WARREN	13,379	2	9,438	-10	1,691	0	33	0	2,217	12
WASHINGTON	8,571	33	5,975	4	1,085	14	23	2	1,488	13
WATAUGA	43,436	-34	11,851	-15	13,750	-27	405	0	17,430	8
WAYNE	73,952	79	32,924	-14	23,565	6	235	1	17,228	86
WILKES	41,916	-31	10,317	-20	21,470	-9	112	0	10,017	-2
WILSON	55,063	63	29,537	27	13,636	6	120	1	11,770	29
YADKIN	23,645	-12	4,329	-2	13,131	-12	64	0	6,121	2
YANCEY	13,672	18	5,314	2	4,829	7	37	0	3,492	9

Scandal

State Pension Perplex: When a Fix Isn't a Fix

High-paid Officials' Retirement Pay Creates Quandary

BY BOB LUEBKE

Before leaving Raleigh for the summer, lawmakers made permanent changes to the state's pension system that allow highly paid officials to continue working without losing pension income because recipients' pay exceeded federal pension caps.

Legislators were hoping the change will stop a growing number of early retirements prompted by fears that funds put aside to compensate for the federal cap would soon be depleted.

But the key question is: *Who pays for these plush benefits?*

The new law makes permanent what is called the Qualified Excess Benefit Arrangement, or QEBA. QEBA is a fund used to pay the portion of a retiree's pension that exceeds the federal cap.

The federal cap limits how big a pension a public employee can receive. The excess benefits fund pays the amount above the federal cap. QEBA is funded by state agencies that pay into the state retirement system.



QEBA was scheduled to expire August 1. That deadline gave potential retirees the jitters – as it did last summer when the deadline was first extended.

A wave of retirees and pension boosters generated the state cap as a means of discouraging pension-benefit spiking, and high-profile pension problems.

One example is former school Superintendent Ed Croom in Johnston County. Croom used provisions in his contract to convert $44,000 in benefits to income, thereby substantially boosting the income used to calculate his pension.

Croom's employer, Johnston County, was then presented with a bill for $508,000 to help pay for his additional benefits. The county is appealing the decision.

Under the new law, QEBA funds will be permanently available to pay the pensions of those who had exceeded a federal cap. In hopes of bringing greater stability to the system, the new law also requires the retiree's last employer to pay a higher cost of their pensions when an individual retires.

To illustrate how large those costs have become, let's look at a situation from earlier this year. The University of North Carolina had a bill for one employee for $1 million.

The bill represents what UNC is responsible to pay to help cover for the federal caps. Multiply that across various state institutions and agencies, and it really adds up.

Years ago, this was not a big issue. However, with increases in salaries and a larger number of highly paid state employees, the state's decision to compensate or not compensate for federal pension caps was having a big impact on the number of retirements as well as pension spiking across North Carolina.

Pension spiking occurs when an individual boosts his/her income in the last years before retirement to help generate a higher pension. Pension spiking can be done legally or illegally.

Either way, pension spiking usually provides the recipient with a larger pension than the individual normally would have received. In addition to being viewed as an underserved benefit, pension spiking is also a negative drain on the pension fund, since such pensioners are usually drawing pensions that exceed their contributions to the system.

> *"...[I]n the end we all know where an agency's funding comes from: taxpayers and average citizens. So guess who is really paying the cost."*

Of course, the big question is: Who pays the additional costs? According to the new legislation, the retiree's last employer will be expected to pick up additional costs to offset the higher costs of pensions. That move seemed to be in response to the public's opposition to paying for pension benefits for a program that most state employees would never be eligible for. Croom's sweetened pension, as cited above, is only one of the more publicized cases.

The legislature's decision to make an individual's last place of employment responsible for additional pension costs is laudable. It ascribes responsibility for the costs and hopefully works as a discentive to growing pension costs.

It is also an attempt to say the public will not fund high-income pensioners.

Pension geeks are quick to point out that funds for QEBA technically come from the employer (not employee) contributions on all their employees, both rank and file and well-paid.

While that's nice in principle, in the end we all know where an agency's funding comes from: taxpayers and average citizens. So guess who is really paying the cost.

Unfair? It's hard to make any pension system completely fair. Some retirees die early and never are able to access the money they paid into the system. Others outlive actuarial tables.

Call it what you want. In the end, QEBA is another taxpayer gift for high-end pensioners, thanks to your North Carolina legislators.

Lawmakers will say they had to do something. The UNC system and school districts were being hit by a wave of planned retirements by employees hoping to circumvent the federal cap.

Highly paid people with specialized skills working in state government need benefits that are competitive with what other states offer.

But the question again is: Who will pay for those high-income pensions? This is a complicated problem that deserves a proper solution.

Unfortunately, the legislature took the easy way out. You can say the recipient's last employer will be picking up a large portion of the added cost. In the case of state employees, that usually means taxpayers are picking up the bill.

Instead of looking for a long-term solution, the legislature put a Band-Aid on a sick patient and pronounced him healed. It's an expensive option that only kicks the pension problem further down the road.

Any law that takes more money from taxpayers so high-income executives and managers can enrich their pensions – while saying otherwise – is not a solution.■

Scandal is a regular column in *Civitas Capitol Connection* that will explore public corruption in NC Government.

Have a local corruption story?
Email corruption@nccivitas.org or call 919.834.2099.

Pass the Torch Donate

If you like NC Capitol Connection, please consider making a donation to help fund the newspaper. Every dollar you contribute will help us send our conservative message out via Capitol Connection to readers across North Carolina.

All contributions are tax deductible.
Mail to: 100 S. Harrington St. Raleigh, NC 27603
web: nccivitas.org/donate | *phone:* 919.834.2099

☐ **Yes, I'd like to support *NC Capitol Connection*!**

☐ My check made payable to the Civitas Institute is enclosed

☐ Please charge my: ☐ American Express ☐ Master Card ☐ Discover ☐ Visa

Name _____

Address _____

City _____ State _____ Zip _____

Phone _____ Email _____

Card No. ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___

Amount: $_____ Expiration: ___ ___ / ___ ___ CVV: _____

Signature: _____