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Mapping the Left in NC: Roots of Radicalism

BY SUSAN MYRICK

The Z. Smith Reynolds Foundation hasn't always been the largest funder of liberal activist organizations in North Carolina. But as our **Mapping the Left database** (www.mappingtheleft.com) shows, over time the foundation abandoned its roots in free-market innovation and success to embrace an array of left-wing causes. The foundation's focus is now on social, economic and environmental "justice" and backing progressive public policy.

How did it happen? In the matter of Z. Smith Reynolds Foundation, the inner circle likes to point all the way back to the early 1900s to Katherine Smith Reynolds, the wife of Reynolds Tobacco Co.'s founder, R.J. Reynolds. In that time, she encouraged better education and better housing conditions for the company's workers. However, that type of humanitarianism is a far cry from today's extreme and sometimes radical progressive activism.

Often foundations' missions and philosophies change when their boards change. In this case, however, a family history that could have come from a novel casts a shadow over all that followed.

In 1874, Richard Joshua "R.J." Reynolds moved to North Carolina to start his own tobacco company. A page on the RJR website details the impact of Reynolds' leadership on the tobacco industry. Reynolds Tobacco was the first to offer the 20-cigarette pack and the 10-pack carton. It was also the first company to package ciga-

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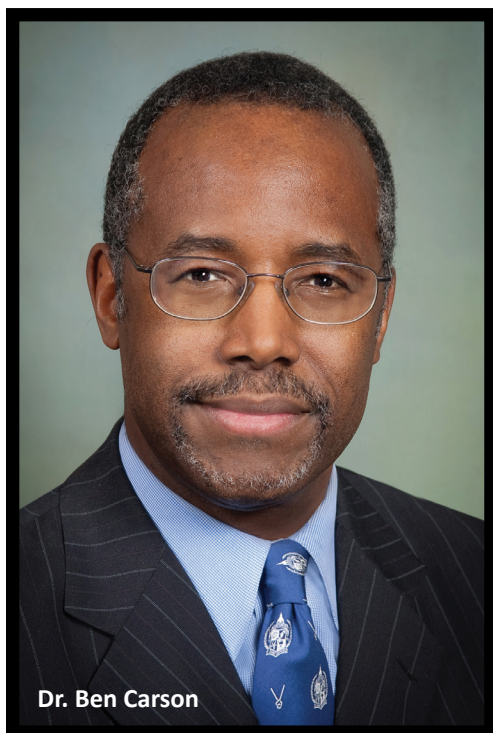


Z. Smith Reynolds

Dr. Carson, Santorum, DeMint at CLC

BY CIVITAS STAFF

This year's Conservative Leadership Conference (CLC), is shaping up as the best yet, with Heritage Foun-



Dr. Ben Carson

ation President Jim DeMint, Lt. Gov. Dan Forest, Rick Santorum, Carly Fiorina, and filmmaker Ann McElhinney

joining keynote speaker Dr. Ben Carson and 30 other leaders and experts to provide insights and inspiration for attendees.

CLC runs March 27-28 at the Embassy Suites in Cary. To learn more or get your tickets, go to civitasclc.com.

CLC is the premier conservative conference in North Carolina. Every year at CLC, hundreds of concerned Americans come together to learn about, discuss, and ad-

vance free markets and conservative ideas.

Our keynote speaker has a fascinating life story – and is perhaps the most intriguing conservative on the national scene today.

Benjamin S. Carson, Sr., M.D., had a childhood dream of becoming a physician. Growing up in a single parent home and being challenged by dire poverty, poor grades, a horrible temper and low self-esteem appeared to preclude the realization of that dream, until his mother, with only a third-grade education, challenged her sons to strive for excellence. Young Ben persevered and today is an emeritus professor of neurosurgery, oncology, plastic surgery and pediatrics at the

Johns Hopkins School of Medicine, where he directed pediatric neurosurgery at the Johns Hopkins Children's Center for 39 years. He was the inaugural recipient of a professorship dedicated in his name in May, 2008 and is now the Emeritus Benjamin S. Carson, Sr., M.D. and Dr. Evelyn Spiro, R.N. Professor of Pediatric Neurosurgery, having retired on June 30, 2013.

Some career highlights include the first and only successful separation of craniopagus (Siamese) twins joined at the back of the head in 1987, the first completely successful separation of type-2 vertical craniopagus twins in 1997 in South Africa and the first successful

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Medicaid Expansion Would Slam NC

BY JIM TYNEN

It's a safe bet that we'll be hearing a lot about how North Carolina must expand Medicaid and how wonderful an expanded health care program for the poor and disabled will be. But a look at the other states – those laboratories of democracy – shows a stunning picture of what would really happen.

And it wouldn't be pretty, according to news reports and from what Christie Herrera of the Foundation for Government Accountability said at a recent Civitas event.

First of all, let's reject the falsehood that North Carolina is stingy in its Medicaid program. Over the last decade, Medicaid spending here grew by nearly 90 percent, from \$7.5 billion to \$14.2 billion.

NC spends more per patient than any of its neighbors: \$6,098 per person, compared with, say, \$5,181 in South Carolina and \$3,979 in Georgia.

Can this relatively generous Medicaid program withstand the impact of higher enrollments? A look at what has happened elsewhere implies the answer is "No!" Consider three key factors:

Enrollment: Medicaid expansion always results in far more people signing up than what was expected.

Take California. Enrollment in Medi-Cal, its Medicaid program, has jumped 50 percent since the Affordable Care Act became law. Within a year, more than 12 million people will be in Medi-Cal – nearly one-third of the population.

Or take Kentucky. The number of new Medicaid enrollees was estimated to be 137,634. (Don't you just love the precision of that?) The actual number: 317,000.

is enormous, the price of that fraction can be crippling.

Illinois health officials estimated in 2012 the state's share for expanding Medicaid would total \$573 million from 2017

fibrosis patients.

- Oregon discontinued coverage for advanced-stage cancer treatments.

- Arizona ended coverage for heart, lung, liver, pancreas and

The actual human toll is frightening. *The Contra Costa Times* newspaper focused on a Julie Moreno, a formerly uninsured Californian who was glad to be added to Medi-Cal – until she needed cataract surgery. For months she tried but failed to get an appointment. She finally borrowed \$14,000 to have the procedure done privately.

The newspaper admitted: "It appears one of the most alarming predictions of critics is coming true: The supply of doctors hasn't kept up with demand."

Harbingers of this have already hit North Carolina. Medicaid rolls have increased 34 percent since 2009 to 1.7 million.

Meanwhile, NC doctors who do take Medicaid may see payments plunge by more than 20 percent this year as a temporary payment bump from 2014 ends, according to a study by the Washington-based Urban Institute.

Shoving tens of thousands of people into the North Carolina Medicaid program would lead to an explosion of costs and a heavy blow to the care actually available to such people. The program surely should be reformed. But reforms should be instituted and judged successful before any massive expansion is implemented. ■



Ditto for Nevada (78,000 projected; 182,000 actual); Michigan (323,000 projected; 481,863 actual); West Virginia (91,000 projected; 145,000 actual); and Ohio (366,000 projected; 450,000 actual.)

Cost: Rising enrollments means higher costs. Illinois is a good example. It was estimated that 199,000 people would sign up for Medicaid – which turned out to be 362,000 short of the actual number of 561,000.

That means costs exploded. Defenders of the program say the state pays only a fraction of the tab. But when the tab

through 2020. But because of that mushrooming enrollment, costs will skyrocket to \$907 million in those years – at the very least.

Last year, the Illinois governor's office estimated the state's total outlay would likely jump to \$2 billion, more than three times the original estimate. In other states, costs have also soared, of course, since more people are being treated

Care: When Medicaid is expanded, fiscal reality means that state Medicaid programs have to be slashed. For example:

- Arkansas halted payment for life-saving drugs for cystic

bone marrow transplants.

- Maine refused treatment of brain injury patients.

Moreover, as the crunch forces states to trim payments to doctors, they are less willing to take Medicaid patients. Even the New York Times recently admitted: "Just as millions of people are gaining insurance through Medicaid, the program is poised to make deep cuts in payments to many doctors, prompting some physicians and consumer advocates to warn that the reductions could make it more difficult for Medicaid patients to obtain care."

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School Grades Provide Info for Parents

BY ROBERT LUEBKE

North Carolina recently released A-F grades for all traditional public and charter schools. Only about 5 percent of schools got A's; about 29 percent got D's or F's. There will be endless analysis and review of the data. But what do the results really mean?

We can argue ad nauseam about the methodology used to develop grade scores. Most critics believe achievement scores are weighted too heavily (80 percent) and growth scores not enough (20 percent). There is some sentiment among education leaders in the legislature to make adjustments in the current system. I don't think such changes would have significantly changed relative scores, however.

No methodology will be perfect. That said, having school grades is better than not having grades. If schools feel otherwise, they can do as Wake County and Forsyth County Schools have done and provide parents with additional information or report cards. Legislation to implement school grades was passed to impose transparency. It's all the better if the process encourages the disclosure of pertinent information.

The education establishment and much of the Left criticize school grades as unfair. An article by Lindsay Wagner on the NC Policy Watch website criticized the grades as just another way to punish poor schools. Other critics of the new A-F grades say the scores don't help them improve. Such thinking is misguided. The purpose of school grades is to improve transparency. They give parents more information about school performance and the quality of their schools. A-F grades are merely a tool to encourage transparency.

You hear no one discussing last fall's decision by the State Board of Education that determined students who scored at Level 3 proficiency were determined to have met grade-level proficiency. This merely moved the goal posts closer for many students who otherwise wouldn't have been deemed proficient. It is a massive dumbing down of the curriculum at a time

when we're constantly told test scores are lower because of the new, higher Common Core Standards. Regrettably, the decision to adopt the new 10-point grading scale facilitates the entire dumbing-down process.

The Left thinks school quality and student achievement track with income. Hence, to them, the only way to remedy the issue is additional spending. Of course, such thinking says nothing about the additional spending already incurred to address the educational needs of special populations.

Abundant research refutes such thinking. Niche.com, a website dedicated to evaluating every school district in the country, found plenty of evidence in North Carolina as well as nationally that said the best schools do not always spend the most. Of course, we're not saying money is unimportant in the school achievement equation. But educational success is dependent on other variables as well, such as school culture, quality teachers, effective administration and involved parents.

The legislation requiring grades to be assigned to each public school does not identify any sanctions or consequences for schools with D or F grades. Historically, what happens with low-performing schools is they receive additional support and intervention.

That 29 percent of North Carolina students attend sub-par and failing schools is sobering news. Equally alarming is that a high percentage of students who attend those schools have no other educational options. Solutions can't just be about giving schools higher letter grades. Parents and students also have to have options such as charter schools, online education, vouchers and education savings accounts. Such steps infuse important competitive pressures into a system that badly needs them but also allow parents to choose the educational environment that best fits the child – a practical and effective way to boost academic performance for the child and the school. ■



Monthly Petition

NC Voter Petition

to

Oppose Medicaid Expansion

Medicaid expansion would push hundreds of thousands of additional North Carolinians into an already overcrowded government program, featuring far too many patients chasing too few doctors. In the case of Medicaid, coverage does not equal access to care. Expanding Medicaid would also strain the state budget while increasing the national debt, and prioritize childless, working age adults over low-income children and pregnant women.

Let your elected officials know that Medicaid expansion imposes an unaffordable price tag on taxpayers while not improving access to care for low-income people.

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 Please make copies of this form for others to sign

We deeply appreciate the efforts of everyone who has previously signed a Civitas petition on this vital topic. If you have already signed a petition that has been sent to us, you do not need to sign another one. If you'd like to do more to help, please consider having a family member or friend sign it and mail it in. Again, thanks from all of us at Civitas!

EPA Rules Would Choke NC's Economy

BY BRIAN BALFOUR

Gas prices have been falling, providing North Carolinians with some extra cash. Don't get used to it, however.

The Environmental Protec-

tion Agency (EPA) is in the process of implementing three rules that a new study by the Beacon Hill Institute at Suffolk University says will substantially drive up the cost of energy in the Tar Heel State and cost tens of thousands of jobs.

tion Agency (EPA) is in the process of implementing three rules that a new study by the Beacon Hill Institute at Suffolk University says will substantially drive up the cost of energy in the Tar Heel State and cost tens of thousands of jobs.

Yet few people are complaining about the current environment and clamoring for new federal regulations that threaten the economy.

For good reason. Sulfur dioxide and nitrogen oxide emissions by the state's major utilities were cut almost in half between

1998 and 2011, according to a report by the state's Department of Environment and Natural Resources. Mercury emissions have been cut by roughly

50 percent in that time span, and carbon dioxide emissions dropped by more than 15 percent from 2000 to 2011.

Apparently that progress hasn't been good enough for this EPA, however. Recently, it dictated three major rules on emissions – one on mercury and two on carbon dioxide – that will increase the price of electricity in North Carolina by a whopping 21 percent by 2030, according to the study.

That's bad news for small businesses here, many of which operate on razor-thin profit

margins. Annual electricity bills for commercial ratepayers are expected to rise by \$1,500 a year because of these rules. Residential users won't be spared, either,

facing \$355 annual increases, according to the study. The rules especially target North Carolina's coal plants, which produce 44 percent of the state's electricity, and also the bulk of base-load electricity to the nation's electric grids.

The rules especially target North Carolina's coal plants, which produce 44 percent of the state's electricity, and also the bulk of base-load electricity to the nation's electric grids.

The rule mandates existing coal plants reduce their carbon dioxide emissions by at least 30 percent below 2005 levels by 2030.

To comply with this man-

date, the state's coal plants will be forced to adopt expensive and unproven carbon-capture technology. This will obviously have a devastating effect on the state's nearly 10,000 jobs directly or indirectly supported by the coal industry.

And the study's economists highlight how the employment impact will spread far beyond power plants and mining. They forecast that more than 32,000 state jobs will be lost by 2030, a number that includes those from other sectors that service the coal industry. Think the truck driver who delivers coal to the power plant and the barbecue chef who serves him lunch. Moreover, the burden of higher electricity costs will cause many small businesses to downsize or close up shop, and means North Carolinians will have less money to spend on other goods because of higher power bills.

Even the EPA estimates that these regulations will cost over \$50 billion nationally. But it justifies this cost by claiming that the rules will provide tens of billions of dollars in benefits, largely in the form of improved health.

Quantifying health improvements is a difficult task at best and a fool's errand at worst. The EPA has drawn widespread criticism for its use of secret science and stretched assumptions to come up with such a forecast. For example, the Beacon Hill study criticizes the benefit assessments for incorporating the reduction of particulate matter, which is already regulated under different EPA rules.

Clean air is a worthy goal, and North Carolina's air is as clean as it has been for decades. But as the Beacon Hill study indicates, wringing the last few pollution particles out of the atmosphere comes at a cost that is too steep for North Carolina families.

A version of this story was published in the News & Observer. ■



“Residential users won't be spared, either, facing \$355 annual increases...”



SHE WILL BE AT CLC 2015...WILL YOU?

Former H-P CEO Carly Fiorina

Carly Fiorina knows that conservative principles, applied in a 21st-century context, are the most effective way to unleash the potential for positive change in communities, organizations of all kinds and our nation. Starting out as a secretary for a small real-estate business, she rose to become Chairman and CEO of Hewlett-Packard, making her the first woman to lead a Fortune 50 business.

You can hear her inspiring story and vision for the future at the Conservative Leadership Conference. Sign up at:

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Huckabee Defends Traditional Views at Town Hall

BY MATT CAULDER

Former Arkansas Gov. Mike Huckabee says he isn't afraid of making waves with his new book – or with a possible bid for the White House.

or safe book," he said. "And a lot of political consultants who read it said, 'Oh my, this is not what I'm expecting from somebody in poli-

ing book. I don't want to read a boring book, I don't want to write one."

At the town hall, Huckabee sat down for a Q&A

"You may not agree with all the things I say in it, but I am pretty sure it will not bore you and you will not be left wondering, 'Hmm,

and a woman to calling for the approval of same-sex marriage during 2012, Huckabee said that there are only three explanations, with the first two being that the president was disingenuous in 2008, or not telling the truth in 2012.

"The only other option is that the Bible was rewritten and edited, and he was the only one who got the new version," he said.

Huckabee said he holds the same stance that Obama, former Secretary of State Hillary Clinton and Vice President Joe Biden held in 2008, except he has not changed his stance.

He said biblical issues do not change like public opinions, styles or politics but that they stay the same, so his beliefs remain the same.

Huckabee said that the popular culture in a few areas of the country has left behind what most people find acceptable.

In his book, he explores the divide between areas of the nation, contrasting most of the nation with the elite enclaves in Washington, Wall Street and Hollywood.

"The premise of the book is there are these three bubbles, but they are very disconnected from the people in flyover country, the heartland of America, or what I call, the land of god, guns, grits and gravy, therefore the title," he said.

This article originally appeared online at nccapitolconnection.com. ■



Francis De Luca (left) and Mike Huckabee.

He spoke in Charlotte on Jan. 29 at a town hall meeting, sponsored by the Civitas Institute, at First Baptist Church of Charlotte.

It was the latest stop on Huckabee's book tour promoting his latest tome, *God, Guns, Grits and Gravy*.

During the event Huckabee made it clear that he has not, and will not, change his viewpoints or hide them to appease or avoid offending the public, a theme that is represented in his book.

"This book is not a sterile

tics,' because typically books are written and they're very, very careful. They've been thoroughly vetted and filtered very carefully by political consultants who want to make sure that we don't say anything controversial.

"Clearly, if you have been not only reading the book but if you have been watching any press reports about the book, you know that that was not my intention. This is a blunt book, it's earthy, I wanted it to be. I did not want to write a bor-

ing book. I don't want to read a boring book, I don't want to write one."

Huckabee left little doubt about his intentions to make another run at the White House in 2016, remarking that he would not have left a good job with Fox News if he weren't serious about the effort.

Huckabee said that he does not expect everyone to agree with his points of view, but he is confident anyone reading the book will know them.

I wonder what he really thinks?" he said. "Feel free to disagree with me. That's why I love America."

Huckabee said he has been told that the book is not what someone would expect from a politician, and he is all for that.

He said that *God, Guns, Grits and Gravy* is a cultural book, not a political one.

When asked during the Q&A about President Obama's shift from his 2008 stance that marriage should be between a man

To get the latest on North Carolina issues, leaders and politics, go to nccapitolconnection.com

Civitas Poll: NC Has Spending Problem

BY CIVITAS STAFF

The most recent Civitas Poll shows that more than seven out of 10 North Carolina voters think state government spends too much, and that spending can be reduced.

In the poll, 73 percent said state government has a spending problem and that spending must be cut. Only 19 percent said government has a revenue problem and taxes need to be increased. In addition, 7 percent said they didn't know, and 1 percent declined to answer.

Seventy-one percent of respondents also said that cutting spending was possible. Nineteen percent said taxes could not be cut and the state needs to increase government spending. Also, 10 percent said they didn't know or refused.

North Carolinians' rejection of taxes was underlined by another response. In a question about gas taxes, the survey offered three choices: raise the state gas tax, the federal gas tax, or both. Fifteen percent said raise both; 7 percent said raise only the state taxes; 8 percent favored raising federal gas taxes only.

But two-thirds (67 percent) of respondents volunteered a fourth option: neither.

The poll questioned 600 registered North Carolina voters, of whom 30 percent were "cell phone only" users and were contacted via cell phone. The survey was taken Feb. 1-3, and had a margin of error of plus/minus 4 percent.

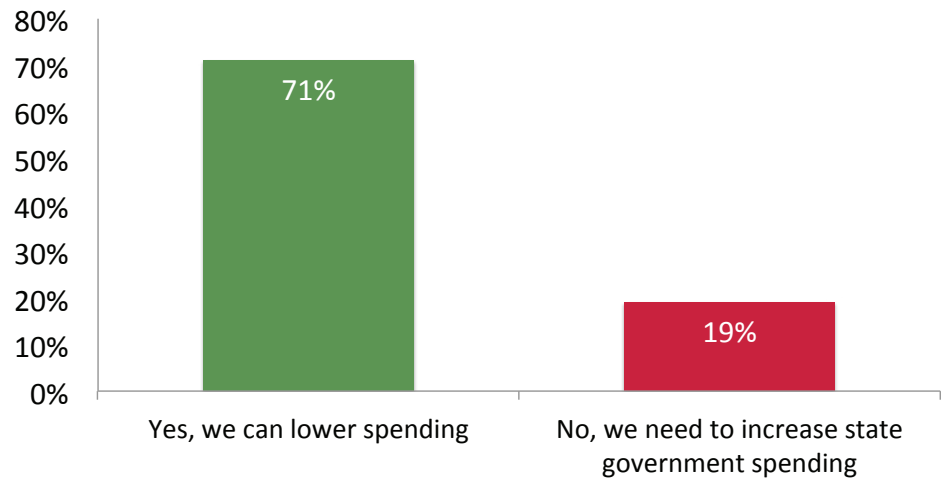
In other questions, the poll found that North Carolinians believe Attorney General Roy Cooper has a duty to defend the state's marriage amendment approved by voters in 2012. Fifty-one percent of voters believed it was Cooper's duty to defend the amendment; 40 percent said legislative leaders should accept a court ruling against the ruling.

On immigration, by an 18-point margin (56-38 percent) respondents favor Congress blocking Obama's executive action to allow illegal immigrants to receive work permits and other official documents.

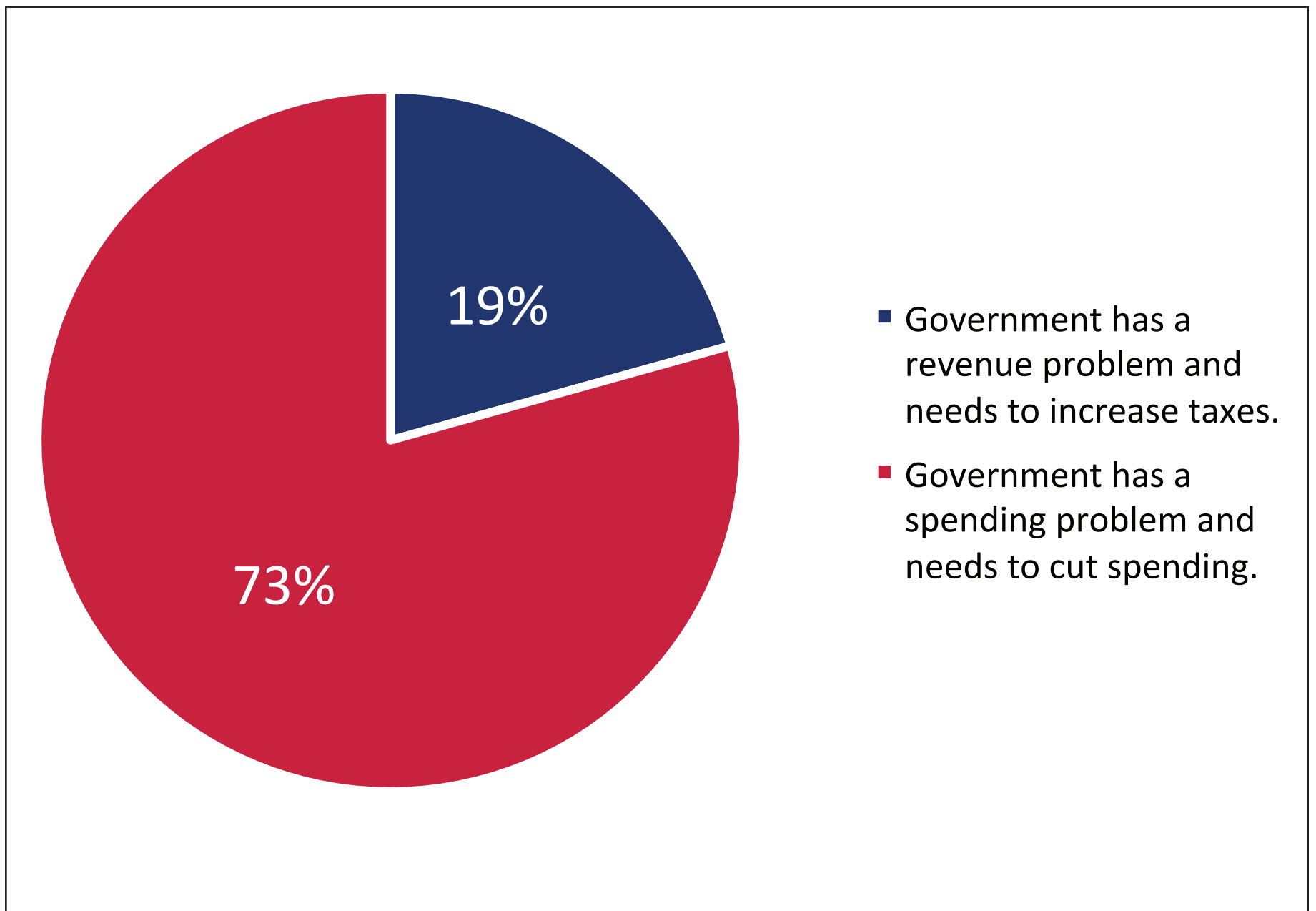
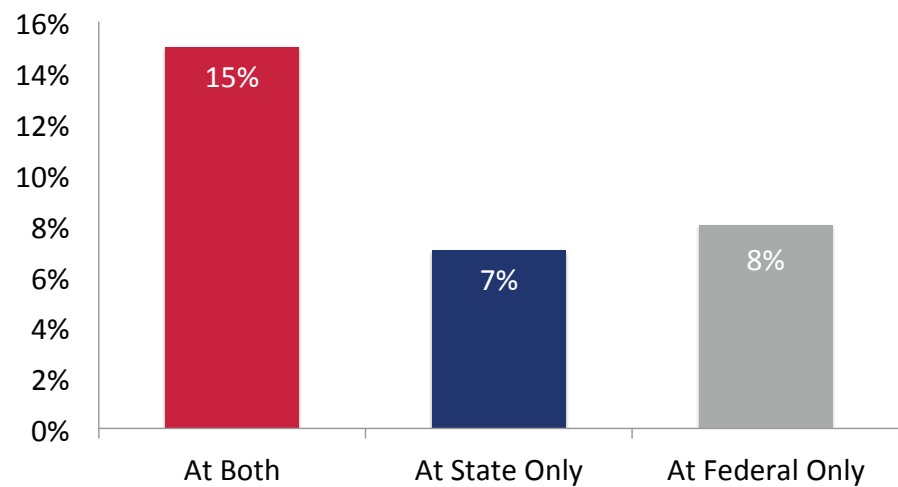
Asked if they had a favorable or unfavorable view of top elected officials, 37 percent had a favorable view of Sen. Thom Tillis, and 39 percent had an unfavorable view of him. Thirty-two percent had a favorable view of Sen. Richard Burr, and 25 percent had an unfavorable view of him.

Fifty-one percent of voters had a favorable view of Gov. Pat McCrory, and 37 percent had an unfavorable view of him. President Obama's ranking was virtually even, with 48 percent favorable, 49 percent unfavorable. ■

Do you think it is possible to reduce state government spending in North Carolina in order to control the budget or do we need to increase state government spending?



There is movement at the state and national level to raise the tax on gasoline to fund more transportation projects. Would you support raising the tax on gasoline at this time at the state level, the federal level, or both?





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CLC Welcomes Carson, Santorum, DeMint

CONTINUED FROM PAGE 1

placement of an intrauterine shunt for a hydrocephalic twin. Although he has been involved in many newsworthy operations, he feels that every case is noteworthy — deserving of maximum attention.

Dr. Carson holds more than 60 honorary doctorate degrees and has received literally hundreds of awards and citations. He was appointed in 2004 by President George W. Bush to serve on the President's Council on Bioethics. He is a highly regarded motivational speaker who has addressed various audiences from school systems and civic groups to corporations and has spoken twice during the President's National Prayer Breakfast.

Dr. Carson is drawing considerable interest from political observers. *The Weekly Standard* recently noted:

“As Jeb Bush, Mitt Romney, and untold others

ramp up their campaigns for the 2016 Republican presidential nomination, they're going to be in for a surprise. A candidate neither they nor the political class regard as a serious contender is ahead of them in organizing a well-financed and unique campaign operation.

“That candidate is Ben Carson, the African-American conservative and retired brain surgeon. His White House bid is not a lark. It only seems that way. Carson was more active in 2014 than any other potential Republican candidate. ... He has substantial name identification. He can raise money. His poverty-to-prominence story is compelling. He has a grassroots following. He is fluent on national issues. ...”

CLC will give attendees a close-up look at him and what he has to say to conservatives today.

Sen. DeMint is one of the country's most respected advocates of conservative principles. When he spoke at CLC in 2013, he outlined an uplifting vision of an America where freedom, opportunity, prosperity, and civil society flourish.

The Heritage Foundation is a research and educational institution — a think tank — that is one of the premier conservative organizations in the United States. DeMint served as a U.S. Senator from South

of the North Carolina Senate, is on the State Board of Economic Development, is a member of the NC Military Affairs Commission and chairs the Energy Policy Council. His passion and priority in the lieutenant governor's office is innovation through education.

Carly Fiorina will also enthrall CLC attendees with insights garnered in a true American success story.

Through extensive experience she has learned that hu-

man potential is a limitless and uniquely powerful resource that can be unlocked, inspired and focused on worthy goals and common purpose. She knows that conservative principles, applied in a twenty-first century context, are the most effective way to unleash this potential for positive change in communities, organizations of all kinds and our nation.

Fiorina started out as a secretary for a small real-estate business. She then joined AT&T in an entry-level sales position. Fifteen years later she led AT&T's spin-out of Lucent Technologies and then Lucent's North American operations. In 1999, she was recruited to Hewlett-Packard where she became Chairman and CEO, making her the first woman to lead a Fortune 50 business.

She has served in a large number of advisory and policy-

making positions for national and state governments. In 2010, she didn't shy away from a challenging run for the U.S. Senate when she took on one of Washington's most entrenched liberals, Barbara Boxer, from the deep blue state of California. She earned more votes than any Republican nationwide that election-cycle and raised over \$25 million dollars in 12 months. On the campaign trail, she became known for her proud adherence to

bestselling author and political commentator, and a regular guest on CNN, Fox News, The Blaze TV and MSNBC. He also serves as distinguished senior fellow at the Austrian Economic Center in Vienna, Austria.

Phil Berger, President Pro Tem of the North Carolina Senate, will be on hand to provide insights on legislative issues. A Republican, he represents the 26th Senate District, which includes Guilford and Rockingham counties.



Jim DeMint greets attendees at CLC in 2013.

Carolina from 2004 to 2013, and before that was a congressman from the Palmetto State. Prior to his terms in Congress, he ran the DeMint Group, a marketing research and strategic planning business.

Lt. Gov. Dan Forest has spoken at previous CLCs, and he has offered attendees both valuable insights on state government and inspiring expressions of conservative ideals. In 2012, in his first run for elected office at any level, he became only the second Republican since 1897 to be elected Lieutenant Governor in the state of North Carolina.

A registered architect, he rose from office intern (while in college) to office president and senior partner of the North Carolina's largest architectural firm over his 22-year career.

Forest serves as president

man potential is a limitless and uniquely powerful resource that can be unlocked, inspired and focused on worthy goals and common purpose. She knows that conservative principles, applied in a twenty-first century context, are the most effective way to unleash this potential for positive change in communities, organizations of all kinds and our nation.

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conservative philosophy and her mastery of the issues.

CLC also welcomes journalist, film producer and director Ann McElhinney to our slate of speakers. Ann has made numerous documentary films, including *FrackNation -- A Journalist's Search for the Fracking Truth*, a documentary on hydraulic fracturing (fracking) and the natural gas boom in the United States and abroad. She regularly speaks around the world on subjects from life issues to fracking and environmental radicalism.

CLC is also proud to welcome noted economist Matt Kibbe as a speaker. Kibbe is the President and CEO of FreedomWorks, a national grassroots organization that serves citizens in their fight for more individual freedom and less government control. An economist by training, Kibbe is a well-respected policy expert,

Berger was first elected to the state Senate in 2000. He became minority leader in 2004, and was elected President Pro Tem in January 2011, following the November 2010 elections that put Republicans in charge of the legislature for the first time in more than a century.

As President Pro Tempore, Berger works closely with the Speaker of the House and the Governor on behalf of the Senate. The President Pro Tem has the exclusive right and authority to appoint all Senate committees and to establish select committees. He also makes appointments to numerous state boards and commissions, and is responsible for presiding over the Senate in the Lieutenant Governor's absence. He serves as Co-Chair of the Legislative Services Commission and the Committee on Governmental

Guest Column: Convention Would Rein In D.C

BY JIM KINNEY

It's time to rein in the federal government – and the states have the power to do it.

The Attorney General of the United States is suing dozens of states over issues ranging from voter ID laws to immigration enforcement. The Federal Courts are dismantling state constitutional amendments overwhelming approved by the voters. The Congress has run up more than \$18 trillion in debt and continues to run annual deficits of \$500-plus billion. The Executive Branch rewrites laws and exercises unconstitutional authority in the execution of existing law. The list of grievances identifying the abuses of the federal government against the original intent of the constitution is long and growing.

What can be done?

The Declaration of Independence lists twenty 27 spe-

cific grievances against the king to justify the American Revolution. At the convention drafting the constitution for the newly independent United States, there was considerable concern that this new republican form of government would one day become so entrenched that its leadership could no longer be entrusted to make the necessary changes to correct their own abuse of power. The remedy inserted to counter this tendency of all governments to seize and exploit power was included in Article V. The founders provided the states authority to amend the constitution to restrain the ambitions of the federal government at such time as it may become necessary. Today is such a time.

Article V of the Constitution at this point reads: "...on application of the legislatures

of two thirds of the several states (Congress) shall call a convention (of the states) for proposing amendments (to the Constitution)."

The founders' intent was to provide the states with a remedy when the federal government claimed authority not granted by the constitution or refused to address needed changes to existing conditions. There is a Convention of States movement underway today across the country to get the needed "applications" before Congress to convene an amending convention in accordance with the Article V provisions in the Constitution. Their efforts are yielding fruit all across the country.

Both houses of the North Carolina legislature will consider adopting the Convention of States application during the 2015 legislative cycle. To ensure passage of this criti-

cal legislation, we need your involvement. Go to the web site for Convention of States (www.conventionofstates.com), read about this national movement, gain an understanding of the issues at stake and sign up to join the effort here in North Carolina.

Follow up with your state senator and representative and encourage them to support the North Carolina application calling for a convention of states.

Also, encourage the application sponsors. In the House, the primary sponsors of the application are Bert Jones, Dennis Riddell, Gary Pendleton and Chris Millis. In the Senate, the primary sponsors are Norm Sanderson, Ralph Hise and David Curtis. Get in touch with them personally and encourage their efforts. Now is the critical time to add your

voice to those pressing for a convention of states to rein in the abuses of the government in Washington. This may be our last best chance to restore our republic.

Capt. Jim Kinney, USN (ret.) had 25 years of active service in the Navy. He then spent the next 10 years in the non-profit world, leading the Seminar Division of Walk Thru the Bible Ministries. In 2003, he joined the staff of Calvary Baptist Church in Winston-Salem, where he served until asked by Gov. Mike Huckabee to join the Huckabee for President campaign staff in late 2007. He then launched the Inspire & Ignite consulting company.

This article is an expression of his opinion, and does not necessarily reflect the views of the board of directors, staff or supporters of the Civitas Institute. ■

Bill Filed to Call for Convention of States

BY MATT CAULDER

A bill filed Feb. 4 in the state House would approve a state resolution to call for a convention of states under Article V of the U.S. Constitution to amend the constitution and rein in

vention of states is called when two-thirds of the states (34 states today) apply to Congress to call a convention, which Congress is then obligated to call. Any amendments that come out of

Growth of the federal debt, with no apparent end in sight, has been a serious concern of many legislators supporting a convention of states. One amendment on the table for discussion at such a convention would be a balanced budget amendment for the Federal government.

Rep. Debra Conrad (R-Forsyth) said a driver for her is to reduce Federal debt, not just leave it to her children and grandchild-

ren to deal with. Conrad said that the Federal government has had plenty of time to correct the problems itself, thus far has not done so, but something new is needed. "I signed on to this because you can't keep kicking the can down the road," she said. "If there are other methods which the General Assembly want to discuss I am open to that, I just haven't heard anything yet." ■



the federal government. HB48 was referred to the Committee on Judiciary I. HB48 calls for discussions that are specifically limited to "proposing amendments to the Constitution of the United States that impose fiscal restraints on the federal government, limit the power and jurisdiction of the federal government, and limit the terms of office for its officials and for members of Congress." A con-

vention must be ratified by the legislatures of 38 (three-fourths) of the states.

Rep. George Cleveland (R-Onslow) said that he supports the plan as a much-needed way to rein in Federal abuses to the U.S. Constitution.

"We have a Constitution, the federal government is supposed to follow the Constitution, the federal government has not been following the Constitution," he said.

Letters to the Editor

LIGHT RAIL WILL BE NEEDED

Many of your points make sense for today, but rail travel is for the future – 20-50 years ahead – and will be more of a need for commuter traffic along with inner-city traffic. Even today there are long streams of cars heading into the Triangle from the west and east and those future drivers will welcome some more efficient rail service. Also, you mention that there are no typical inner cities in North Carolina, but in all three major cities the universities demand traffic and light rail will help serve their needs. Light rail will cost money, and so do highways and airports cost money. We should be willing to support this type of advance to provide travel balance within the Triangle and the suburban areas such as Johnson and Alamance counties.

–Bill Hendrickson

(The writer was responding to a column in the January Capitol Connection. He is host of a weekly radio show, "Time Out" on community station WCOM in Carrboro.)

THE RISKS OF LIGHT RAIL

I enjoyed your article exposing the stupidity of light-rail transit. You listed six reasons. I would like to add the seventh reason: Light-rail is a death trap. The number of deaths per mile for light-rail is six times the rate for bus transit. The number of deaths per mile for light-rail is 20 times the rate for automobiles. Only motorcycles are more deadly than light-rail. This information was compiled by the US Department of Transportation (National Transportation Statistics, 2013) and published in the May 2014 issue of Car and Driver magazine. If you can get a copy of this issue, I urge you to do so.

Average fatality rates per 100 million miles, 2000–2011

Automobile	1.1
Transit Bus	3.7
Transit Light-Rail	22.6
Motorcycle	31.5

–Kimble Wattenbarger, Raleigh

Mapping the Left: Roots of Radicalism

CONTINUED FROM PAGE 1

rettes with a moisture-proof, cellophane wrap. At the time of his death in 1918, Reynolds' company employed more than 10,000 people and was the top taxpayer in the state, contributing \$1 of every \$2.50 in state income taxes.

In 1905, Reynolds married Katherine Smith, his first cousin's daughter. He was 55 years old; she was 30 years his junior. Thirteen years and four children later, R.J. died from pancreatic cancer. His oldest child, Richard Joshua Jr., was 12; his youngest child, Zachary Smith, was only 7. His daughters, Mary Katherine and Nancy Susan, were 10 and 8. Three years later, in 1921, their mother married J. Edward Johnston, the school superintendent at Reynolda Village, the farm community and self-sufficient estate that Katherine was credited with planning and where she and R.J. had built Reynolda House, the "60-room bungalow" of her dreams. After giving birth to another son (J. Edward Johnston Jr.), Katherine died of an embolism in 1924, leaving her children, all younger than 18, in the care of their uncle, William Neal Reynolds, R.J.'s brother.

The Foundation's namesake, Z. Smith Reynolds, was 13 when his mother died. Barely five years later, he eloped and married Anne Ludlow Cannon, heir to the Cannon Mills fortune, in 1929. Reynolds and Cannon were divorced two years later after the birth of their daughter, Anne Cannon Reynolds. Just six days after the Reno, Nev., divorce, Z. Smith married Libby Holman, a popular torch singer and Broadway star. The marriage lasted less than eight months. Z. Smith died of a gunshot wound to his right temple after a party at Reynolda House on July 6, 1932.

Did he commit suicide? Or was he murdered? Z. Smith has been described as immature, impulsive, sensitive, quiet and restless. He even reportedly threatened to kill himself if Holman had refused to marry him. In stark contrast, according to a 2013 Winston-Salem Journal article, when his uncle was notified of his death, William Reynolds told the press, "I saw the boy a week ago at his home in North Carolina. He seemed the sensible, level-headed boy that

I have always known and was extremely interested in flying." Yet William went on to say that he was "convinced that it was his (Z. Smith's) act and that no one else had a hand in it."

The authorities first thought that Z. Smith committed suicide, but later charged Holman with murder and charged his high school friend Albert ("Ab") Walker as an accessory to murder. William asked prosecutors to drop the charges, and eventually they did, citing lack of evidence.

Z. Smith's oldest sister, Mary Katherine, was described as one of the richest women in the world when, in 1936, she inherited \$30 million from her father's estate. She married Charles Henry Babcock, and they had four children: Mary Katherine (Mountcastle), Charles Henry, Barbara Frances (Millhouse), and Betsy Main. When the elder Mary Katherine died in 1953, the Mary Babcock Foundation was established with \$12 million from her will. Over a 10-year period, the foundation gave nearly \$5 million to liberal and radical groups in North Carolina and more than \$50 million to out-of-state liberal activist groups.

Z. Smith's other sister, Nancy Susan, married Henry Walker Bagley, and they had four children: Nancy Jane (Lehman), Smith Walker, Susan (Bloom)

and Anne Katherine (Grant). Nancy was perhaps the most radical activist of her generation of the family. In 1952, she founded the Nancy Reynolds Bagley Foundation, which later changed its name to ARCA. According to a 2011 article written by Matthew Vadum, "ARCA has been on the cutting edge of radical left-wing causes, embracing Fidel Castro's Cuba, the Palestinian cause, Saul Alinsky-inspired community organizing, and the never-ending social justice campaigns of the Left." Vadum went on to explain that although ARCA is not a large foundation, it makes up for its size by "the focus and intensity of its giving to radical organizations."

The oldest of R.J. Reynolds' sons, R.J. Jr., was "chained to a tree" on the African coastline, detoxing after a drinking binge when he was told of Z. Smith's death. That account is from

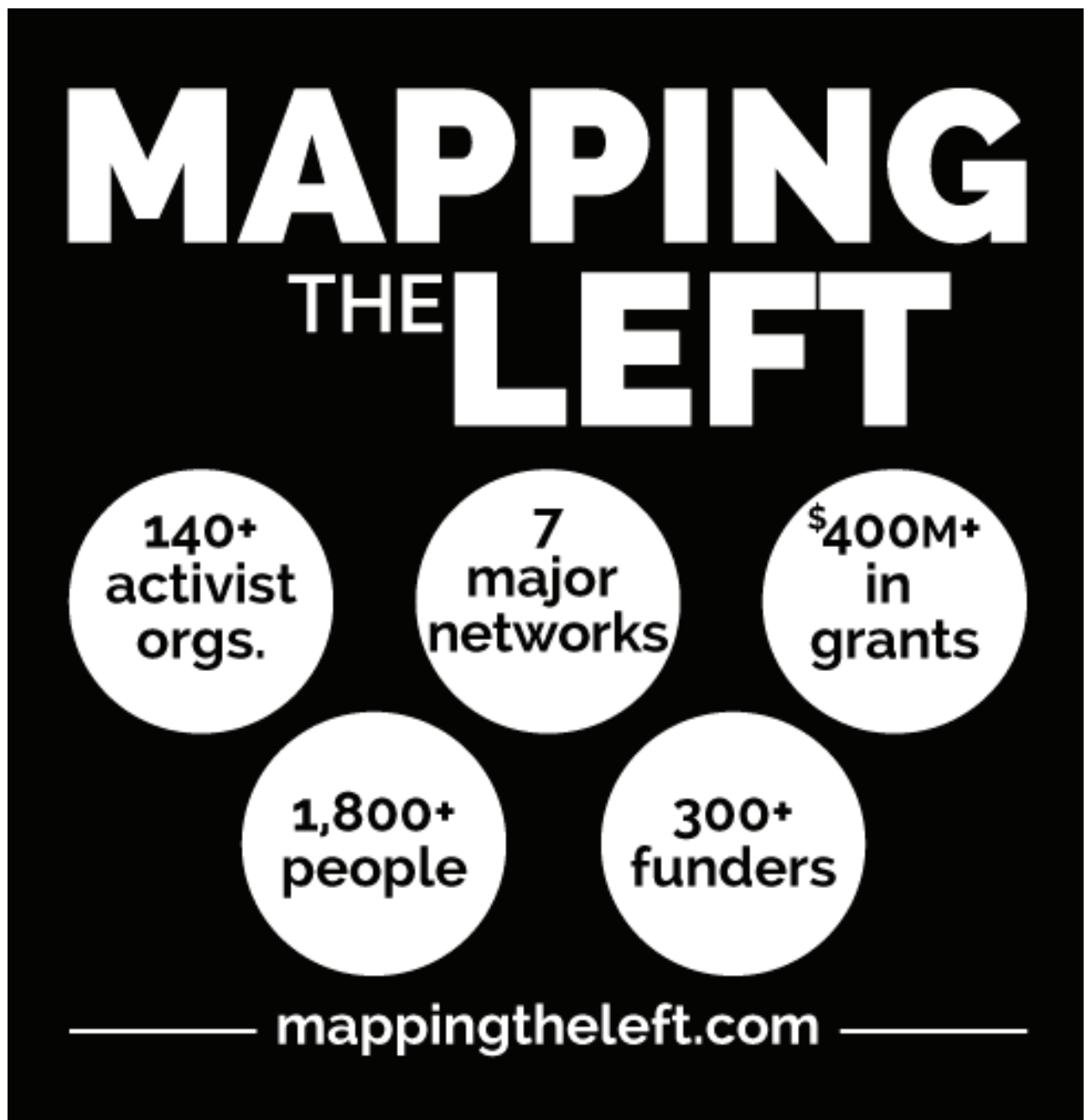
Patrick Reynolds, R.J. Jr.'s son. Before Z. Smith's death, Patrick wrote, his father was a playboy who funded Broadway shows. After Z. Smith's death, R.J. Jr. entered Democratic politics and was elected mayor of Winston-Salem. He took a leading role in steering the finances of the national Democratic Party and is credited with assisting the successful election efforts of two presidents, Franklin Roosevelt and Harry Truman.

Four years after Z. Smith's death, and after several legal battles, his siblings founded the Z. Smith Reynolds Foundation as a memorial to their late brother. Using his estate, they established a trust for "charitable works in the State of North Carolina." Their Uncle William was an original member of the foundation's board of trustees, and, when he died in 1951, a trust was formed that provides some of the philanthropy's annual

revenues. The trusts today are worth more than \$425 million.

Nearly 80 years after the formation of the Z. Smith Reynolds Foundation, eight of the 14 board members are related to R.J. Reynolds. Yet it has strayed far from its original legacy. A clue for the reason behind this ideological shift can be found in this statement by R.J. Jr.'s son Patrick, the family's anti-smoking activist: "No descendant of founder R.J. Reynolds devoted their career to working in the company; only Aunt Nancy's son Smith Bagley worked there for a time, but did not rise to a top position and soon left. Just one second cousin has worked for the company."

In a continuing series of articles, we will do our best to discover what drives this foundation. Log on to www.mappingtheleft.com to find out more. ■



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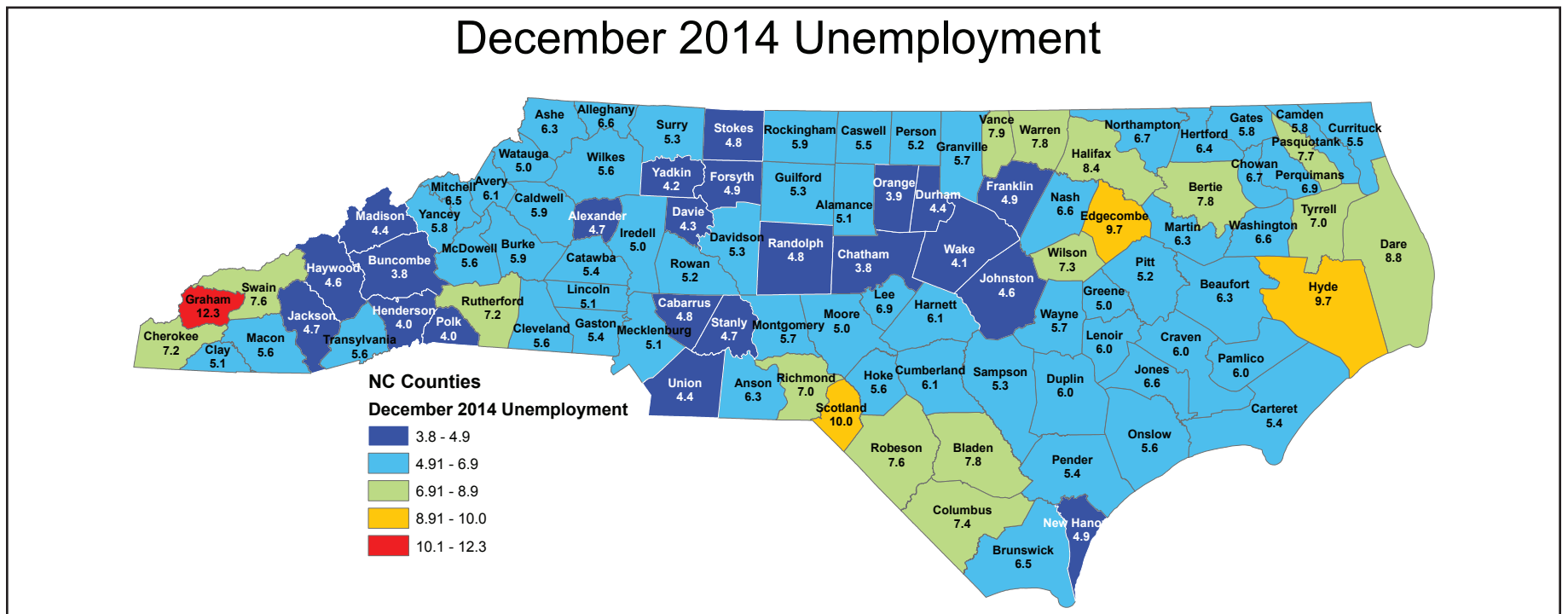
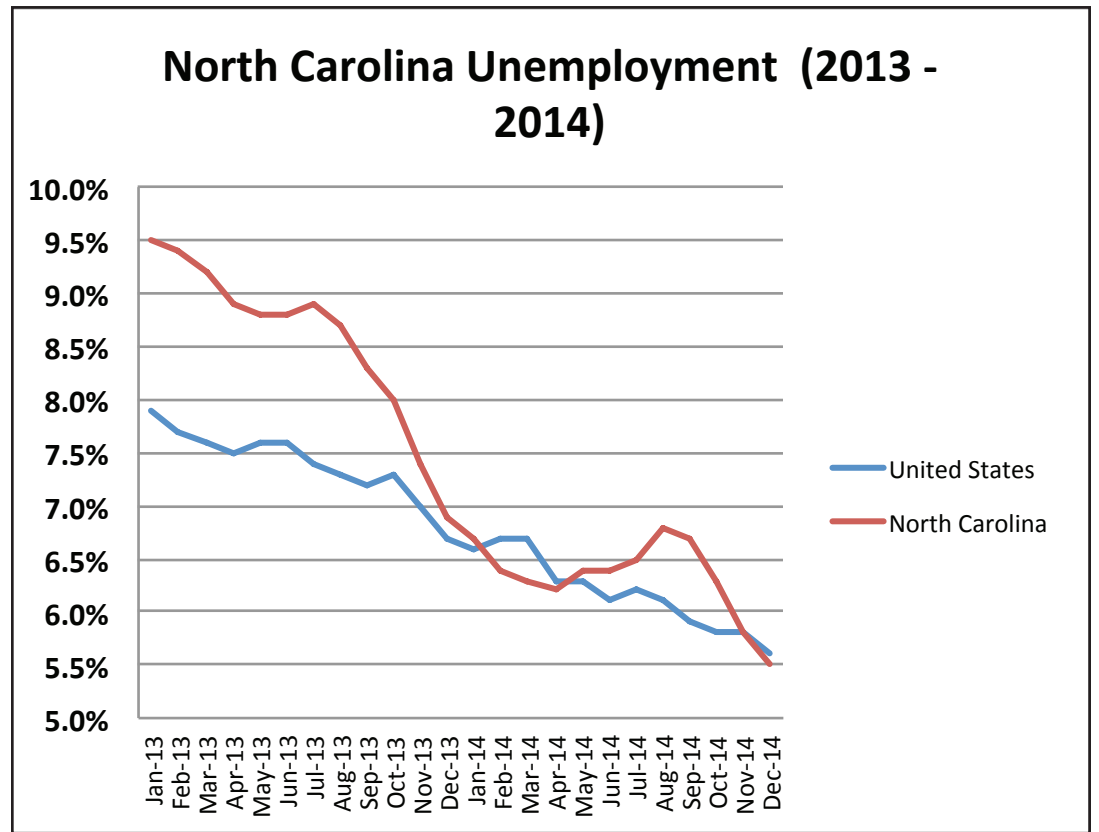
Unemployment Update

NC's Unemployment Rate Drops in Dec.

BY MATT CAULDER

According to a North Carolina Department of Commerce news release, North Carolina's December smoothed seasonally adjusted unemployment rate was 5.5 percent, a 0.4-point decrease from last month's rate of 5.9 percent. The December unemployment rate was 1.4 percentage points lower than a year ago. The national unemployment rate decreased 0.2 percentage points to 5.6 percent. The number of people unemployed in the state decreased 15,643 over the month to 255,510 with the total number of unemployed declining by 67,584 over the year.

The number of people employed increased 1,283 over the month to 4,364,022, bringing the total change in employment for the year to an increase of 25,339. In December, unemployment rates, not seasonally adjusted, decreased in 56 counties, increased in 28 and remained unchanged in 16. Chatham County again had the lowest unemployment rate at 3.8 percent. Graham County maintained the highest rate in November, with a 12.3 percent unemployment rate. Eleven of the state's 14 metro areas experienced rate decreases over the year while three remained the same. ■



2008-2014 Unemployment Rate Comparison

County	10-08	1-13	12-14	County	10-08	1-13	12-14	County	10-08	1-13	12-14	County	10-08	1-13	12-14
Alamance	7.1	10	5.1	Cumberland	6.8	11	6.1	Johnston	6.1	8.9	4.6	Randolph	6.7	11.1	4.8
Alexander	7.9	10.2	4.7	Currituck	3.6	10.5	5.5	Jones	6.8	10.7	6.6	Richmond	9.5	13.6	7
Alleghany	6.6	12.6	6.6	Dare	4.2	20.1	8.8	Lee	8.2	12.7	6.9	Robeson	8.1	13.9	7.6
Anson	9.5	12.8	6.3	Davidson	7.4	10.7	5.3	Lenoir	7.8	10.8	6	Rockingham	7.9	11.7	5.9
Ashe	6.3	13.8	6.3	Davie	6.9	9.3	4.3	Lincoln	7.2	10.8	5.1	Rowan	7.2	10.3	5.2
Avery	5.6	13.7	6.1	Duplin	5.9	10.6	6	Macon	5.3	13.3	5.6	Rutherford	8.7	14.7	7.2
Beaufort	7.3	11.8	6.3	Durham	5.4	7.9	4.4	Madison	5.7	10.1	4.4	Sampson	5.4	9	5.3
Bertie	7.5	13.5	7.8	Edgecombe	11.4	16.6	9.7	Martin	6.9	12	6.3	Scotland	11.7	17.8	10
Bladen	8.1	13.6	7.8	Forsyth	6.3	9.4	4.9	Mcdowell	8.1	11.9	5.6	Stanly	7	10.1	4.7
Brunswick	6.9	12.2	6.5	Franklin	6.7	9.6	4.9	Mecklenburg	6.6	9.7	5.1	Stokes	6.1	9	4.8
Buncombe	5.1	8.1	3.8	Gaston	7.7	11.1	5.4	Mitchell	7.7	15.5	6.5	Surry	8.3	11.1	5.3
Burke	8.6	11.6	5.9	Gates	5.2	8.3	5.8	Montgomery	8.3	11.1	5.7	Swain	5.5	19	7.6
Cabarrus	6.4	9.4	4.8	Graham	8.2	20.4	12.3	Moore	6.4	10.1	5	Transylvania	5	11.5	5.6
Caldwell	8.3	12	5.9	Granville	7	10.3	5.7	Nash	8.6	12.7	6.6	Tyrrell	6	13	7
Camden	5.4	9.4	5.8	Greene	7	9.8	5	New Hanover	5.4	10.4	4.9	Union	6	8.6	4.4
Carteret	5	10.6	5.4	Guilford	6.7	10.3	5.3	Northampton	7.7	12.1	6.7	Vance	9.8	13.8	7.9
Caswell	8.2	10.4	5.5	Halifax	9.7	14.7	8.4	Onslow	5.8	9.6	5.6	Wake	5	7.8	4.1
Catawba	7.9	11.6	5.4	Harnett	7.1	11.5	6.1	Orange	4.2	6.6	3.9	Warren	9.7	12.9	7.8
Chatham	5.5	7.5	3.8	Haywood	5.7	10.2	4.6	Pamlico	5.7	11.2	6	Washington	7.2	13.5	6.6
Cherokee	8.7	14.1	7.2	Henderson	5.1	7.9	4	Pasquotank	6.4	12.4	7.7	Watauga	4.1	9.5	5
Chowan	8.5	11.3	6.7	Hertford	6.6	11.5	6.4	Pender	6.4	11.5	5.4	Wayne	6.3	9.8	5.7
Clay	6	10.6	5.1	Hoke	6.3	9.7	5.6	Perquimans	6.7	11.1	6.9	Wilkes	8.2	11.7	5.6
Cleveland	8.5	11.3	5.6	Hyde	4.6	15.7	9.7	Person	7.3	11.1	5.2	Wilson	7.9	13	7.3
Columbus	8.1	13.8	7.4	Iredell	6.5	10.4	5	Pitt	7	9.9	5.2	Yadkin	6.1	10.1	4.2
Craven	6.2	10.8	6	Jackson	4.3	11.3	4.7	Polk	5	8.2	4	Yancey	7.2	13.8	5.8

*Data is from the North Carolina Department of Commerce Labor and Analysis Division

Scandal

LaRoque's Scam Culminates in Guilty Plea

BY BOB LUEBKE

"Government can't be all things to all people. We need more self-reliance and accountability."

Those are the words of former Republican state Rep. Stephen LaRoque during a 2010 television debate. LaRoque won election to the General Assembly in 2010, often railing against government waste and inefficiency – while collecting nearly \$8 million in federal dollars to run two nonprofit lending companies that paid him annual salaries of between \$100,000 and \$195,000. LaRoque had family members who served as employees and board members of the nonprofits. He also used the funds from the companies to make loans to associates and other legislators.

While it appears the Kinston legislator hoodwinked voters and threw quite a party, the fun is over. Late in January, LaRoque pled guilty to stealing \$150,000 from a federally funded loan program via an organization he helped to found, Kinston-based East Carolina Development Co.

Federal Judge Thomas Walker ordered LaRoque to pay \$300,000 in restitution to the company. LaRoque faces up to 10 years in prison and three years of probation. Eleven other counts were dismissed. Sentencing is scheduled for May.

The ruling was the latest chapter in LaRoque's legal problems, which date back to 2012. LaRoque won reelection to the General Assembly that year and had



Stephen LaRoque

been named chair of the powerful House Rules Committee. But after LaRoque was indicted on charges that he misused federal funds, he was forced to resign his seat and chairmanship.

In June 2013, he was convicted of a dozen criminal counts. The decision on two of those counts was later thrown out when one of the jurors had to be dismissed due to misconduct.

A federal judge later granted the ex-lawmaker a new trial on all 12 counts. LaRoque's guilty plea to the one count, and the dismissal of the other 11, averted the trial scheduled for this month in the case.

The scandal centered on loans LaRoque had made to two nonprofits he started, East Carolina Development Co. and Piedmont Development Co.

Prosecutors built a strong case against LaRoque that showed he took \$300,000 from a USDA loan –intended to aid economic development in rural areas and designated for the East Carolina Development Co. – but instead deposited the money to LaRoque Management Group.

The 2012 indictment said the boards of the two nonprofits frequently approved loans that LaRoque had already made in the organization's name. According to the indictment, one loan went to a carpet business owned by a woman who would later marry him. The interest rate charged on the loan was about half of that charged to other borrowers.

The indictment also claimed that, since 1998, LaRoque collected nearly \$2 million in compensation for

running the nonprofits, along with an additional \$133,000 in reimbursed expenses. LaRoque also made loans through the management company for vehicles, jewelry and other items.

In addition, investigators found LaRoque Management Group wrote checks in 2009 and 2010 to purchase a house for LaRoque's stepdaughter and an ice-skating rink in Greenville for his wife and stepdaughter. Federal authorities said the transactions clearly violate the terms of how the loan money was intended to be used.

LaRoque's annual salary as head of the nonprofits during the time ranged between \$100,000 and \$195,000. LaRoque defended his pay, saying the money came

that normally would have difficulty obtaining funds from traditional lenders.

The report criticized USDA for giving contradictory messages on whether paid-back funds are public funds and urged all lenders to treat funds paid back to the program as federal funds.

The report also said the USDA fell short of its oversight responsibilities for the Rural Development programs, with which LaRoque's nonprofits were involved.

Officials associated with USDA, members of LaRoque's companies, and board members of LaRoque's nonprofit companies all said they were not aware of his high compensation or the questionable loans made by the companies.



from funds that borrowers repaid from the loan program and were not from the loan program.

USDA regulations on the subject of compensation are not always clear. Still, they say how lenders repay nonprofit lenders is subject to strict regulations.

A June 2010 report from the USDA Office of Inspector General found significant problems with the USDA loan program that LaRoque was using to make loans to entities

The revelation raised a red flag for investigators, since compensation for a nonprofit president or an executive director is normally set by the board of directors, based on job performance and comparisons with other similar organizations.

LaRoque had been a representative from the 10th Legislative District. He had served for three terms in the House before resigning in 2012. ■

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

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