NC Capitol Connection



Inside

The October NC Capitol Connection will have an update on the budget debate

'ASHLEY' LINKED TO GOVT. EMAILS

BY MATT CAULDER

An NC Capitol Connection investigation has found at least 115 North Carolina state and local government email addresses among the more than 10,000 government and military email addresses released as part of the hack of the online cheating site Ashley Madison.

The emails track back to state, county and local entities as well as various school districts across the state. This raises the issue of the misuse of taxpayer-funded equipment, what public employees might be doing during work hours, and whether communication with such a site might expose taxpayers' personal data to hackers and data thieves.

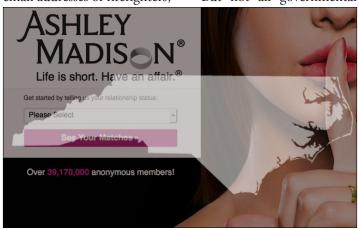
Among the more than 37 million email addresses on the list are addresses leading back to the state Department of Health and Human Services the Department of Transportation, the Department of Corrections, the Department of Environment and Natural Resources, the Department of Cultural Resources and the Department of Juvenile Justice and Delinquency Prevention.

The municipal governments of Cary, Chapel Hill, Charlotte, Eden, Gastonia, Greensboro, Greenville, Henderson, Hickory, High Point, Salisbury, Wilson and Winston-Salem are also represented on this list, so far. School districts are also on the list, including the Wake County Public School System and Charlotte-Mecklenburg Schools.

Included in the list are the email addresses of firefighters,

Moore County officials have opened an investigation into the email addresses leading back to their domain, and Bladen County Schools, Scotland County Schools, Beaufort County Schools and the city of Hickory are also looking into the situation.

But not all governmental



police officers, municipal officials from support staff to managers, schoolteachers and administrators, correctional officers and state administrative staff.

NC Capitol Connection went into the Deep Net and pulled out the list for analysis, and is working with government officials to facilitate investigations into the possible abuse of government resources as part of the Ashley Madison hack.

Several local governments and school districts have opened investigations into the possible abuse of government resources. bodies have cooperated. The city of Greensboro is

claiming records of emails sent on the city's system (greensboro-nc.gov) are not public on the grounds that they do not deal with public business.

That interpretation seems to run counter to views expressed by the State Attorney General's Office (AG).

Jake Keys, a communications specialist with the city, said the personal emails "are not subject to disclosure under North Carolina Public Records Law," saying the emails "must be created in connection with the transaction of city business to be a public record."

The specific situation in Greensboro came about after WFMY News 2 attempted to procure email records relating to the three Greensboro email addresses. The city rebuffed the request.

The AG's Office publishes a "Guide to Open Government and Public Records" for use by private citizens and government officials. It calls for public bodies to err on the side of openness in what records to release, not on the side of secrecy.

The guide says, "The Public Records Act is to be read liberally in favor of public access to records and information; and b) exemptions from the Act's mandatory disclosure requirement are to be read narrowly."

The guide also says that "The North Carolina Public Records Act makes clear that written materials and other information created or received by state and local government is the property of North Carolinians and gives the people a means of enforcing their right to see government records."

Specifically, it says, "Public records include materials written or created by the government and its employees."

The AG's guide adds: "The North Carolina General Assembly has declared as a matter of public policy that public records and public information compiled by agencies of state government or its subdivisions, including local government, are the property of the people."

It is possible for someone to use the email address of a government employee or official to sign up for the site, as evidenced by the address barack.obama@whitehouse. gov being present on the list.

Therefore the presence of a specific address on the list does not mean that person necessarily had an affair or attempted to cheat on a spouse.

NC Capitol Connection is still working to verify the email addresses and analyze the list further.

A hacker group, The Impact Team, reportedly took the data in July, threatening release if the website did not shut down. The hackers made good on their promise, releasing the data anonymously on the Deep Net, the underside of the Internet not readily accessible to most users.



CLF Asks High Court to Defend 1st Amendment BY CAPITOL CONNECTION STAFF

The Civitas Institute Center for Law and Freedom (CLF) has joined with The Buckeye Institute, the Alliance Defending Freedom, and the National Taxpayers Union in asking the U.S. Supreme Court to take up the case of Center for Competitive Politics v. Harris. The joint amicus brief asks the Court to uphold the First Amendment rights of nonprofit groups and their donors.

California Attorney General

Kamala Harris recently announced that charities and tax-exempt organizations may not fund-raise from California residents unless they first provide the government a list of their significant donors. The Ninth Circuit held that this practice does not violate the First Amendment.

"The Ninth Circuit's holding is both constitutionally flawed and deeply troubling," CLF staff attorney Elliot Engstrom said. "In a time when government retaliation against public interest groups is such a pervasive topic, federal courts should be affirming such groups' First Amendment protections rather than whittling them down." The brief asks the high court to grant certiorari in order to overturn the Ninth Circuit's holding. At the moment, that holding only applies to the Ninth Circuit which includes California, Arizona, and Nevada. "We're not waiting for this problem to come home to roost before taking action," Engstrom said.

"The California attorney general's practice, and the Ninth Circuit's holding, should be of major concern to all public interest organizations and their donors nationwide." The U.S. Supreme Court will decide whether to take up the case later this year.

From the Editor

Who's the Boss: Citizens or Bureaucrats?

BY JIM TYNEN

There is really one question looming over all political debates: Are "We the People" the boss of the government? Or is the government our boss?

Consider just a few stories in this edition

of NC Capitol Connection.

• The Ashley Madison leak: NC Capitol Connection revealed that state and local government email addresses were linked to the affairs website.

• The Belmont law suit: The Civitas Center on Law and Freedom (CLF) filed suit against the city of Belmont for suppressing a third-party, taxpayer-funded investigation of the local police department.

• The Supreme Court case: CLF joined with other groups to ask the nation's highest court to uphold the First Amendment rights of nonprofit groups and their donors.

• Raleigh zoning: The city of Raleigh is pushing a rezoning plan that might give bureaucrats, not residents, the real power over what the city will look like in coming years.

And let's throw in the budget battles that as of this writing are still ongoing in Raleigh. The crux of this debate is whether the money North Carolina takes from your wallet should be spent for the benefit of the state as a whole, or merely to benefit government and its cronies.

That goes for much of the rest of the news. Do government officials, presidential candidates, and even the president have to answer to the people? Or are they above and beyond our concerns and authority? Do ordinary people run the show, or do bureaucrats and their buddies?

Take the Ashley Madison story. Recently the city of Greensboro has asserted that emails linked to city email addresses aren't public documents.

Really?

Imagine you own a business and you find out one of your employees has been using his or her company email to link to a website that arranges affairs between married people. Wouldn't you want to know about it? Maybe call that can't find out what happened.

We have a right to know if our employees are using public resources to sign up for sleazy the city is refusing to release the report, even to the city council. Imagine you paid a building contractor to examine your

"Government employees work for you and me."

websites, or play video games, or whatever. We the people fund these resources, so we should be allowed to know how they are being used.

Or take the Belmont case. The city hired an investigative firm to look into broad allegations of misconduct and mismanagement within the police department. house, and he paid for a third-party firm to inspect the premises and make recommendations about it, especially about any code violations or dangerous conditions. What would you say if the contractor wouldn't let you see the report you paid for? That's what Belmont is doing.



person in for a little chat? But in the equivalent situation, Greensboro says the public The firm's report reportedly cost tens of thousands of dollars, paid for by the taxpayers. But But the city of Belmont and all public agencies work for you. Guidelines from the state Attorney General's Office put it well:

"The North Carolina Public Records Act makes clear that written materials and other information created or received by state and local government *is the property of North Carolinians* and gives the people a means of enforcing their right to see government records. ...

"The North Carolina General Assembly has declared as a matter of public policy that public records and public information compiled by agencies of state government or its subdivisions, including local government, *are the property of the people*." (Emphasis added.)

Let's repeat: Government employees work for you and me. We pay their salaries. What they work with and what they produce is our property.

Though these two examples are about public records, the other issues in these pages, and most of the other news stories of today, boil down to one conflict: Who controls government – citizens or bureaucrats?

Certainly, the political battles over the next year or so are important: who occupies seats in the General Assembly, or the governor's mansion, or even the White House. But the actual names may be less important than whether they answer to us, or we have to answer to them.



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Planned Parenthood: Safe, Legal ... and Profitable?

BY TAMI FITZGERALD

If Planned Parenthood and other abortion clinics stand to profit from the livers, brains, and body parts of aborted babies, what incentive is there for them to encourage women to reconsider abortion? That is the key question every American should be asking in the wake of nine undercover videos released by the Center for Medical Progress that expose the ugly, horrific truth behind the abortion business.

The videos, released over several weeks beginning Planned in July, show Parenthood executives and doctors describing on tape how abortion clinics profit from selling the remains of aborted babies. We also learn from the videos how much procurement firms like StemExpress and Advanced Bioscience Resources, major for Planned customers Parenthood, are willing to pay for each "specimen."

truth is it could be happening right here in North Carolina. Without a specific legal ban on selling or donating the remains of aborted babies, we could have our very own supply chain for fetal body parts here in our state. What's more, the federal law prohibiting the ugly business won't apply unless the body parts cross state lines.

UNC Hospital received seven grants from the National Institutes of Health in 2014 for "fetal tissue research." Taxpayers should be asking where UNC Hospital is procuring the aborted baby body parts they are using for HIV research. Without an investigation, nobody knows. Another key question every American should be asking is why we continue to fund Planned Parenthood with our tax dollars. Federal taxpayers funding are Planned Parenthood to the

health provider. In the 2012 budget, lawmakers prohibited the state's Department of Health and Human Services from contracting with "private providers" of family planning services - effectively, but not explicitly, defunding Planned Parenthood for that year.

Even though legislators have twice de-funded Planned Parenthood, two different Planned Parenthood affiliates are receiving \$174,000 in grants this year for teen pregnancy prevention through the North Carolina Department of Health and Human Services. It begins to feel like whack-a-mole when an abortion-provider always finds a way around legislation that de-funds this gruesome business.

Stopping the flow of state

taxpayer dollars to Planned Parenthood affiliates in North Carolina would be a good first step, but we must do more. The state also acts as a conduit for federal funds that support Planned Parenthood. Finally, we must outlaw the sale or donation of fetal tissue procured from aborted babies. Otherwise, we are creating a market for babies to be produced and killed just to harvest their organs for research.

The pro-life community is rising up in North Carolina to speak out against these atrocities. On Aug. 22, 78,000 pro-lifers protested at 334 Planned Parenthood clinics across the nation, including almost 3,000 protestors at eight Planned Parenthood clinics in North Carolina. Thousands have signed a petition (www.prolifenc.org) to the legislature and governor demanding that Planned Parenthood be permanently defunded, that legislation be passed to explicitly outlaw the sale or donation of fetal body parts obtained from abortions, and calling for immediate investigations into all abortion facilities in our state.

What the videos have done is expose an ugly despicable business that cannot be tolerated in North Carolina. Our state leaders must act now to make sure it is not happening right here under our noses.

Tami Fitzgerald is the Executive Director of the NC Values Coalition and chairwoman of Vote for Marriage NC.

Monthly Petition Education Savings Accounts Petition

to

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

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



These procurement firms even participate in selecting the particular organs that their bioscience research customers need for their research.

We already knew performing abortions was a cash cow for Planned Parenthood, and now we know they are also profiting on the baby body parts they are harvesting during tune of \$540 million per year. Our own Sens. Thom Tillis and Richard Burr supported legislation in the U.S. Senate to defund Planned Parenthood, and a bill to do the same in the House is scheduled for a vote in September. But President Obama has indicated his complete loyalty to Planned Parenthood and would surely veto any bill of this type. Some pro-life Congressmen and Senators are calling for defunding Planned Parenthood in the federal budget, a move which could shut down the government. Pro-life legislators in the General North Carolina Assembly stripped Planned Parenthood of roughly \$434,000 in funds in 2011, overriding a veto from proabortion Gov. Bev Perdue to do it. However, federal Judge James Beaty Jr. blocked the provision, arguing that a state can't single out a particular

abortions. Thanks to the videos, we've learned, in some cases, abortion facilities are delivering babies alive so that they can have "intact specimen" to sell. Or, they are altering the abortion procedure by "crushing above" or "crushing below" the very valuable organs of these babies, so they can harvest and sell intact organs. The abortion business has replaced the "safe, legal, and rare" mantra with "how many more livers can we get this week?" It's horrific, disgusting, and terrifying, and the sad

leaders to support an ESA program here.			
Name (First, M.I., Last)			
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Cut out and mail to: Civitas Institute, 100 S. Harrington St. Raleigh, NC 27603 Please make copies of this form for others to sign

Editorial: Renewables Handouts Are Ineffective

BY GARLAND TUCKER AND FRANCIS DE LUCA

North Carolina taxpayers are about to get stuck with a big bill – if the General Assembly continues the state's Renewable Energy Portfolio Standard (REPS) and renewable energy tax credit policies.

Those policies are a key issue

In 2007, the legislature adopted these policies under the dubious premise that this was the best path to reducing carbon emissions. But since 2005, North Carolina has achieved an impressive 20 percent reduction in carbon



in the ongoing budget debate. The Senate spending proposal calls for the elimination of these policies, while the House budget assures their continuation. But the ineffectiveness and costs of the REPS and renewable energy tax credits are compelling reasons to kill the programs.

Under the North Carolina program, utilities are required to meet mandated levels of electric generation through the use of "renewables," such as solar and wind energy. Renewable energy tax credits sweeten the pot for the industries involved. emissions, and virtually none of this reduction is attributable to REPS. Instead, almost all of the carbon reduction is attributable to the recent fracking boom. It has produced cheaper natural gas, making it economically possible to replace coal-fired units with more efficient and cleaner-burning natural gas power plants.

Nor are these renewable energy sources economically feasible on their own. For example, in a recent Financial Times interview, Bill Gates, though he is a believer in climate change, admitted that renewable sources are unreliable because they depend on the weather. And they are currently more expensive, especially when you add in the extra costs of transmission lines (grid) upgrades and the required traditionally fueled generating plants on standby to pick up the load when the wind dies down or clouds block the sun.

For renewable sources to achieve significant decarbonization, the costs would be "beyond astronomical," Gates said. There is no evidence that renewable sources can currently compete in the market without legislative mandates and substantial handouts. Gates called for the development of new technology, rather than continued government subsidization of economically inefficient renewable sources.

Because electric utilities are regulated monopolies, they simply pass increased costs through to you – the ratepayers of North Carolina. And there are other costs. North Carolina has one of the most generous tax credits for renewables in the United States. While the federal government gives a tax credit of 30 percent for building wind or solar projects, North Carolina tacks on a more generous 35 percent credit for them. From 2010 through 2013, total tax credits to businesses and individuals totaled over \$500 million. (Figures for 2014 have not yet been released.)

Do these credits at least help energy entrepreneurs? Not necessarily. These credits are often sold to companies for cash, and the largest users of these credits are actually big banks and insurance companies. Why should the average taxpayer have to foot the bill for providing these tax credits to companies such as Blue Cross Blue Shield, BB&T, and Duke Energy? These credits mean everyone in NC pays higher taxes so a few giant corporations receive the tax breaks.

We are likely to see over \$1 billion in credits granted in 2015 and even more in the next few years as new wind projects come on line. The "Desert Wind" project to be built in Northeastern NC will alone generate nearly \$140 million in renewable energy tax credits if construction estimates are accurate. This is equal to nearly all of the business credits issued in 2013.

Many taxpayers do not understand that these tax credits come dollar for dollar from their pockets. The hundreds of millions of dollars in total tax credits granted per year are a whopping cost for the hardworking people of our state to bear.

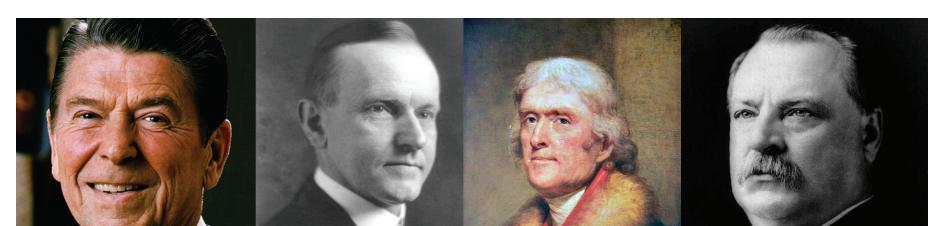
North Carolina is the only Southern state to have a REPS program and the only state in the nation to have such a program with no caps on the total amount of tax credits offered. As every North Carolinian knows, our state is in a continuing struggle with neighboring states to attract new industry. Yet our renewable policies are driving up the cost of electricity and killing the creation of new jobs.

Legislative mandates and tax credits for a specific industry, such as renewables, distort the market. They also incentivize those getting the tax benefits to hire lobbyists to ensure the revenue stream continues flowing. Without these tax breaks and mandates, their business model does not work.

Political patronage and wellconnected businesses win while taxpayers and ratepayers lose. That's why REPS and renewable tax credits are wrong for North Carolina.

A version of this article appeared in the Triangle Business Journal.

Garland S. Tucker III is the CEO of Triangle Capital Corporation, a publicly traded company based in Raleigh. Francis X. De Luca is the President of the Civitas Institute.





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

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

Wife. Mom. Executive. First Lady?

BY MATT CAULDER

Whether teaching her daughters their first lessons in economics, or supporting her husband's quest for the White House, Heidi Cruz is always on the alert for ways to advance conservative truths.

She is taking a leave of absence from her job with Goldman Sachs, where she serves as managing director of the Houston wealth management unit, to help her husband, Sen. Ted Cruz, grab the Republican nomination and then be elected the 46th president of the United States.

In the Carolinas recently, Mrs. Cruz took some time to speak with NC Capitol Connection.

But even as she is pushing for her husband to become the next president, the idea that she would become the first lady still seems so alien to her.

"There have just been so many amazing first ladies," she said.

If she were to find herself as first lady, she said, her interests match up with her husband's beliefs — the importance of understanding economics and educating young people about conservative principles, as she and her husband do at home.

"My primary interests are in economic matters," she said. "It dovetails with my husband's beliefs on opportunity conservatism."

Opportunity conservatism is the idea that conservative principles allow people of all economic levels to climb the economic ladder by easing the means of ascent while letting people stand on their own two feet.

"If you employ the basic tenants of conservatism, encourage leadership for young people, and parents our parents, and my father said that paid our rent."

Mrs. Cruz and her brother opened a bread-baking business that they expanded and eventually used to buy a car and go to school.

She said their family has

them to spend points at that they collect throughout the week," she said. "With little plastic shopping carts and a cash register."

The currency for the store is points, and being polite on the campaign trail is worth a lot of



Sen. Ted Cruz; his wife, Heidi Cruz; and daughters Caroline and Catherine.

instilled those principles, we could reignite that culture," Mrs. Cruz said.

A big part of that dream is to improve education and work toward more school choice, she said.

Free enterprise training for the girls

She said that early on she learned these principles and that she is trying to teach them to her daughters, Caroline, 7, and Catherine, 4.

"I remember my brother and I were complaining about not having any spending money when we were younger," she said. "We had chores we did, we kept up a small farm with a good system that includes breakfast together where they discuss their lessons and also bringing the girls down to the campaign office where they have a playroom.

"We have a pink and red playroom for them that they use, and the team as well," she said. "They love being a part of the action."

She said they also make time to read the original text from the Bible about stories the girls are reading in their classes.

Mrs. Cruz said she and her husband have a system for getting the girls to behave, and teach them a little bit about economics in the process.

"We have a little store for

points, she says.

The girls get to help pick the inventory, from sugarless gum up to Barbie dolls – if they save up their points, that is.

"One of the favorites is Chapstick," she said.

The girls have even tried out combining their points and giving out loans.

"They tried to combine points once, but they couldn't decide what to buy," she said.

Mrs. Cruz said one week there was even a loan given out, but the "bank" shut the loan after her daughter couldn't pay her sister back.

"It's fun to watch them think about it and make decisions," she said. Mrs. Cruz said the added public scrutiny her family has undergone since her husband's announcement in April has not been tough on the family, as they are the same at home as in public.

"My family conducts itself the same in public as at home so it hasn't been very difficult, being in the eyes of the media," she said. "It has been an honor and a privilege to take on the responsibility, and people have been very nice, for the most part."

Senator remains a leading hopeful

Over the next few months, Sen. Cruz will have to shine amongst a crowded field of Republican candidates. As of press time, he is fourth in the GOP race, according to an average of all national Real Clear Politics polls.

The move to her husband's campaign signals a return to politics for Mrs. Cruz, after leaving the National Security Council (NSC), where she worked with Condoleezza Rice, for a position at Goldman Sachs in 2004.

"It is a huge difference from the private sector, being back," she said. "The days are filled with so much more energy."

Mrs. Cruz worked on George W. Bush's 2000 campaign before joining the NSC, where she met her husband.

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- Inc 190



NC Unaffiliated Voters Back Tax Protection

BY CIVITAS STAFF

The August Civitas Poll of registered, unaffiliated North Carolina voters shed light on the views of this growing, crucial voting bloc.

For example, the poll showed that an overwhelming majority of North Carolina unaffiliated voters support an amendment to the North Carolina Constitution requiring a vote of a two-thirds majority of both houses of the state legislature to approve all income tax rate increases. The questions asked;

Would you support or oppose an amendment to the North Carolina Constitution which would require a vote of two-thirds majority of both houses of the state legislature to approve all income tax rate increases?

61%	Total Support
27%	Total Oppose
35%	Strongly Support
26%	Somewhat Support

- 11% Somewhat Oppose
- 16% Strongly Oppose
- 13% Don't Know/ No Opinion

Thinking ahead to 2016 for a moment... If the election for North Carolina Governor were being held today, and you had to make a choice, for whom would you vote if the candidates were: (ROTATE) Pat McCrory, the Republican, and Roy Cooper, the Democrat?

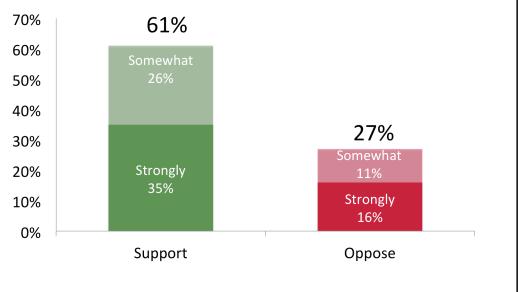
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- 32% Total McCrory
- 34% Total Cooper
- 33% Total Lean/ Undecided
- 21% Definitely McCrory
- 12% Probably McCrory
- 6% Lean McCrory
- 20% Undecided
- 7% Lean Cooper
- 13% Probably Cooper
- 20% Definitely Cooper
- 1% Refused

Recently, Nevada became the fifth state to approve Education Savings Accounts for students, commonly called ESAs. ESAs are government authorized savings accounts that place government funds in an account for families and allow parents to use the funds for approved expenses such as tuition, books, and tutoring. In general, do you favor or oppose the idea of "Education Savings Accounts?"

- 71% Total Favor
- 17% Total Oppose
- 39% Strongly Favor
- 32% Somewhat Favor
- 5% Somewhat Oppose
- 12% Strongly Oppose
- 11% Undecided/Don't Know/Need More Information

Would you support or oppose an amendment to the <u>North</u> <u>Carolina Constitution</u> which would require a vote of two-thirds majority of both houses of the state legislature to approve all income tax rate increases?



SAVE THE DATE POLL LUNCHES

Wilmington Poll Lunch October 7th

11:45am-1:30pm Courtyard Wilmington/ Wrightsville Beach 151 Van Campen Blvd Wilmington, NC 28403

Raleigh Poll Lunch

The poll surveyed 400 registered North Carolina unaffiliated voters, 30 percent of whom were reached on cell phones. The survey was taken August 10-11 and had a margin of error of plus/minus 4 percent. ■

TO SEE THE POLL PRESENTATION ON OUR AUGUST SURVEY OF UNAFFILIATED VOTERS, GO TO:

www.nccivitas.org/2015/augpollresults/

October 8th

11:45am-1:30pm mDoubleTree By Hilton 1707 Hillsborough St Raleigh, NC 27605 In the Roosevelt Room



Purchase tickets at nccivitas.org/poll-lunch/ or call 919-747-8068

NCGA Could Speed Work by Cutting These

BY BRIAN BALFOUR

The General Assembly moved into the fall still wrangling about the state budget for the current year. By the time you read this, lawmakers may have worked out a spending plan. But whatever they do, the Civitas "Cut This, Go Home" series reminded taxpayers that there was plenty to cut from state spending. Regardless of what finally happens, here are some of the items that drew our attention for spending your money on items that fall well outside the legitimate, core functions of government. These include:

Tax breaks for cronies

North Carolina's tax code is stuffed with targeted tax exemptions and corporate handouts, but the ones listed here in particular stand out as more rapidly in future years. Funds for Moral Monday partner

Drafts of the budget included funding for The Support Center, a "Moral Monday" supporter.

The group is also an original member of the Left-wing Blueprint NC coalition that promised to "eviscerate" the current state government leadership while "crippling" their leaders.

The organization describes itself as а Community Development Financial Institution that primarily offers loans and training to start-ups and small businesses. So it is the taxpayers' money that is at risk when The Support Center makes loans. The organization is also in the business of buying bad loans for loans to biotech companies and grants for research, often to universities. or they could get backing from "angel investors" or a venture capital fund.

"North Carolina's tax code is stuffed with targeted tax exemptions and corporate handouts."

The Biotech Center does no actual biotech research itself, nor does it create any biotech products. It serves as an informational hub of sorts, as well as a conduit that receives tax dollars from the state budget and doles them out in research grants and business loans.

Its leadership is richly rewarded: According to the organization's 2012 IRS

Pork barrel projects

Even after months of study and debate, proposed budgets were stuffed with pork barrel projects that could be funded by local governments, if they needed to be funded by government at all. To pick just a few:

• Local library grants: The state budget is scheduled to appropriate \$29 million in FY 2015-16 for local public libraries across the state. The House budget plan would add another \$10 million in nonrecurring funds.

• Grassroots science museums: In recent years, these local children's museums received close to \$3 million in taxpayer funds per year, with the current budget allocating \$2.2 million in funds to be granted to these local attractions. The House budget plan includes a \$300,000 annual increase in this appropriation.

• Grassroots arts grant program: The state allocates roughly \$2.3 million per year in grant programs that direct state tax dollars to these local museums, which come in addition to the direct state appropriation. The House budget included an increase of \$500,000 per year. • Roanoke Island Festival Park: The state budget allocates more than half a million per year to this local attraction, with the House and Senate budgets both desiring to increase it by another \$9,000.

• Research Triangle Institute Grant: RTI, a private nonprofit, is slated to receive \$800,000 this year in the House budget plan for "clean energy" research. International audits have slammed RTI as corrupt, discovering a pattern of fabricating reports and misuse of taxpayer funds. Leaders at RTI are highly compensated, according to news accounts: Three top RTI executives pulled down between \$550,000 and \$605,000 in 2011. And 32 other RTI employees received compensation of at least \$300,000.

• NC Arboretum in Asheville: This local attraction would receive \$858,380 in each of the next two years under the House budget proposal.

To sum up, lawmakers could have made their budget talks much easier by cutting some of these items, and other projects that lie outside the legitimate, core functions of government. It would also be easy to trim those projects that could be funded by the people they serve, by nonprofits, by lending institutions, or by other branches of government. Whether our legislators finally grasp these points this year, NC taxpayers should hope our leaders heed them in future sessions.



ones that should be allowed to sunset as originally scheduled or should not be allowed to come back.

• Film production tax credits: The House budget included \$40 million for a "Film and Entertainment Grant Fund," which forces taxpayers to subsidize Hollywood film production companies.

Historic preservation tax credits: This credit offers a tax break to improvements to buildings deemed "historic" by a political body – an advantage not enjoyed by owners of other buildings. The House budget's proposal to bring back the credit would by one estimate total \$8 million per year. Renewable energy tax credits: NC's solar industry is a complete crony capitalist creation, dependent on government tax credits and mandates for its very existence. Fiscal research estimates a continuation of the credit amounts to \$47 million in FY 2016-17 alone, growing to \$94 million the following year. The credits will rise even

from other groups, and forcing taxpayers to absorb the loss.

Propping up a tourist attraction

North Carolina taxpayers have been subsidizing Tryon Palace to the tune of millions of dollars annually for years. Categorized in the Department of Cultural Resources in the state budget, the Palace received \$3 million in taxpayer funds last year, offset by less than \$400,000 in receipts.

The state in the last 10 years

documents, CEO Norris Tolson received nearly \$300,000 in compensation. Eight other staffers received compensation well above \$100,000. That's not bad pay for people who don't themselves do any actual biotech research or develop any biotech products.

Biotech firms with good ideas could find a bank or other lending institution willing to loan them the funds,

has poured tens of millions of dollars into additions and improvements to try and make the attraction self-supporting, but none have worked.

It isn't even an original historic structure. It was built as a tourist attraction in the last half of the 20th century and is no more "historic" than a structure in Disneyland (many of which are older than Tryon Palace.) Bankrolling biotech

Now in its 30th year, the North Carolina Biotechnology Center uses taxpayer money

companies



Save the Date

March 4th-5th, 2016

Arthur Brooks: Productive Work Is Vital for Us All

BY JIM TYNEN

Arthur Brooks' *The Conservative Heart* is one of those rare books that finds fresh insights to illuminate the truths conservatives have always understood, even if we haven't always articulated them as well as we should.

Take the value of work. We on the right understand how essential it is for people and society. Brooks does a fine job of making this truth fresh today.

He takes as one example the Austrian town of Marienthal. In 1929, it was a busy factory town that provided livelihoods for hundreds of families. But when in the Depression the main factory closed its doors, most people were put out of work. The government provided adequate unemployment benefits, however. That means people were able to continue their lives, and even take up enjoyable pursuits they couldn't when they had to work. They would be happy – right?

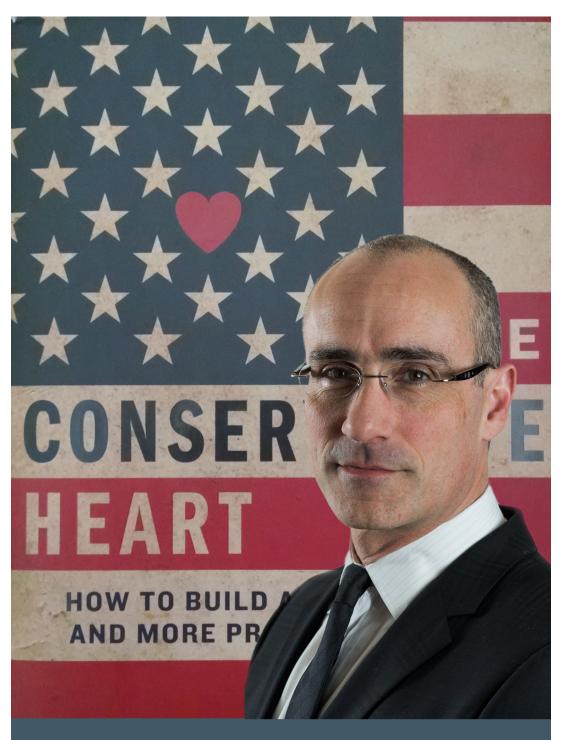
But sociologists found the opposite was true. People found themselves living idle, aimless lives. Men hung around on the streets. "[W]hen work disappeared, Marienthalers couldn't seem to find the time and energy to do much of anything – even enjoy their free time," Brooks writes. The number of books the local library lent out dropped in half. The public park became overgrown with weeds. Families quarreled more than ever.

Without meaningful work, Brooks writes, people felt they were no longer fully alive. Social life fell apart and people turned on each other.

Is that just one place decades ago? Hardly, Brooks makes plain. Look at Europe today. An overgenerous welfare state and stagnant economies leaves people with enough money to stay alive, but no productive activity. That hurts them, and their countries.

Americans shouldn't gloat. The latest reports from the federal Bureau of Labor Statistics show that more than 93 million people (16 and older) neither had jobs nor had made specific efforts to find one. That's more than the population of Germany or Egypt – a veritable nation of people who need to find productive ways to live. Look around and I think you'll see what that means.

The Conservative Heart is full of insights such as this. Brooks will be in Charlotte on Oct. 28 for a Civitas-sponsored luncheon. He is an engrossing speaker, and more information on the event can be found elsewhere on this page.



The Conservative Heart: Lunch and Book Signing with Arthur Brooks

October 28th Charlotte, NC

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Reducing TAs in Favor of Smaller Classes Is a Wise Investment

BY BOB LUEBKE

The Civitas series entitled "Cut This, Go Home" included several budget items that should no longer receive taxpayer funding because they fall well outside the legitimate, core functions of government.

Ineffective spending is also at the crux of one of the largest sticking points between the House and Senate budget plans: funding for teacher into other instructional and classroom management areas. Somewhere along the way, isn't it time to ask; Is that a good investment? A review of the research shows no clear connection between the use of teacher assistants and improved student achievement.[1]

Civitas opposes the current House budget plan to add \$88.6 million in 2015-16

	Year	Teacher Assistants	1		
	2004-05	28,328			
	2005-06	28,678			
	2006-07	29,232			
	2007-08	29,577			
	2008-09	30,022			
	2009-10	26,752			
	2010-11	26,306			
	2011-12	24,264			
	2012-13	24,412			
	2013-14	23,232			
	2014-15	22,505			
Sc	ource: NC DPI	Source: NC DPI			

assistants vs. smaller class sizes.

More than 22,000 teacher assistants are employed by North Carolina public schools at an annual cost of around \$368 million. In the early 1970s, teacher assistants were put in the classroom to help teach reading. Since then their responsibilities have expanded and 2016-17 to offset the loss of lottery receipts and keep teacher assistant funding at 2014-15 levels.

If teacher assistants improve student achievement, why are the state's National Assessment Educational Progress scores flat? Why is the Read to Achieve program needed to boost third-grade reading scores?

Civitas supports a more effective option: The Senate budget proposal to fund lower class size, improve teacher salaries and hire high-quality teachers.

The Senate proposal reduces teacher assistant funding by \$57.5 million in 2015-16 and \$166.1 million in 2016-17. Yet in 2015-16, the teacher assistant allotment would still be \$181.5 million.

North Carolina has invested heavily in teacher assistants. Employment peaked in 2008-09 around 30,000. Since then the total number has fallen by about 8,000.

Teacher assistants constitute the second largest position category. The \$368 million investment is sizeable. You may wonder: How can this policy be justified in light of the mixed research results?

Thanks in part to the tradeoff of teacher assistants for smaller class sizes, the Senate's budget for K-12 education is \$304 million less than House in 2015-16 and \$318 million less in 216-17.

Remember: A reduction in dollar amounts does not equate to LEAs losing teacher assistant positions. In 2011 the legislature gave LEAs additional flexibility to spend money on personnel as they wish.

Legislators have provided schools with an additional \$100 million to be used for enrollment growth. Schools can use this money on teacher assistants (or however they see fit).

If raising student achievement is the goal, experience suggests smaller classes and providing better teachers is a more attractive route than paying for teacher assistants.

[1] See: Teacher Aides and Student's Academic Achievement, Susan B. Gerber and Jeremy B. Flynn published in Educational Evaluation and Policy Analysis available at: http://epa.sagepub.com/content/23/2/123.short. See also: Teacher Assistants and Student Performance: What Does the Research Say? Education Update, April 2011, Dr. Terry Stoops, Education. Available at: http://www.johnlocke.org/newsletters/ research/2011-04-19-3nug9foam3cuonmodb1up4p2h1-edu-update.html



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CLF Sues Belmont to Open Report into Fatal Crash

BY CIVITAS STAFF

The Civitas Institute Center for Law and Freedom (CLF) has filed suit against the city of Belmont, North Carolina, alleging violations of state public records law.

The suit, filed on behalf of two individual plaintiffs, seeks to clarify the extent to which the city can refuse to release the results of a third-party investigation into its police department. CLF filed the complaint in Gaston County Superior Court.

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

Belmont issued a blanket denial of the public records request, citing N.C. Gen. Stat. § 160A-168. That statute provides that certain personnel records are not subject to North Carolina's public records law, and cannot be disclosed by cities.

The city is painting with far too broad a brush," CLF staff attorney Elliot Engstrom said. "While some personnel records certainly are private, that law cannot be invoked to avoid releasing the results of a third-party, taxpayer-funded investigation." The investigation was conducted by the U.S. ISS Agency of Huntersville. Thus far the city has refused to release any portion of the resulting report.

Deitz and Tucker had been seeking access to the report for months before resorting to a lawsuit. The suit is just one part of their overall effort to find answers in the wake of their sister's death.

"In the wake of our sister's death, we hired our own private investigator," Tucker said. "He discovered discrepancies between the official police account of what happened the night Donna died and what actually happened.

We don't know if these kinds of discrepancies were

unusual, or whether it was a routine practice of the police department at that time. We've brought a public records lawsuit in order to shed light on the issue, as sunshine is the best disinfectant. This case is purely about the public's right to have access to these kinds of investigations."

CLF is teaming up with Charlotte-based attorneys Christian Ayers and Brett Dressler. Ayers typically focuses his practice on workers' compensation.

"We generally don't get involved in political matters, and we certainly don't see eyeto-eye with the Civitas Institute on every issue," Ayers said.

"But governmental transparency is fundamental.

If these kinds of coalitions can increase the public's access to records, then we're happy to help."

The case against Belmont is very similar to a 2008 case filed against the city of Greensboro. There, a Guilford County Superior Court judge ordered Greensboro to produce a redacted copy of a third-party investigation into its police department.

"We see the Greensboro case as the minimum benchmark for what we can achieve," Engstrom said. "Ultimately, the goal is to obtain a judicial ruling that these sorts of thirdparty investigations are public records in their entirety."

records in their clithety.

Test Results Raise Troubling Questions on NC Schools

BY BOB LUEBKE

Recent test results raise troubling questions about how well schools are educating North Carolina's students.

The North Carolina Department of Public Instruction (NCDPI) early this month released data on the performance and growth of North Carolina public schools. For the most part, the news was a mixed bag. And, to the dismay of many, there were few significant developments.

While news outlets and blogs are providing plenty of commentary, I'd like to share a few general observations

Grades: Let's not forget North Carolina adopted a fifteen point grading system last year (A=100-85, B=70-84, etc.). By definition the bar was lowered. Without the changes, things would have looked far worse.

The News & Observer quoted

overall trend lines.

College and Career Readiness: Get used to this phrasing. NCDPI is using this in place of the toxic phrase "Common Core Standards," which – to my knowledge – appears nowhere in any of the releases.

Charter Schools: A higher percentage of charter schools (48.6 percent) received top scores (either an A, both designations or B) than traditional public schools (29.3 percent). Though some charter schools are still struggling, overall they held their own when compared to their public much publicity. Progress is good and should be applauded. However the quality of the education is also important. We must remember that 52 A review of the 2015 data suggests the Tar Heel State has a lot of work to do.

While state-by-state comparisons are always tricky,

Carolina's average composite score in 2014 was 18.9. The average composite score of states that tested 100 percent of students in 2015 was 19.9.

"The percentage of North Carolina students meeting benchmark scores by subject area also lagged behind other states that require the ACT."

percent of recent high school graduates enrolled in one or more remediation class at local community colleges.

Also recently, the College Board released ACT scores. The for sake of comparison it should be noted that North Carolina is one of 13 states where all students are required to take the ACT.

When compared to the 12



The percentage of North Carolina students meeting benchmark scores by subject area also lagged behind other states that require the ACT. The percentage of North Carolinians who met benchmark scores and national scores in each subject area includes: English, 47 percent (national: 64 percent); reading, 34 percent (national: 46 percent); math, 32 percent (national: 42 percent), and science: 26 percent (National: 38 percent).

State Superintendent of Public Instruction June Atkinson as saying that it sometimes takes five or six years after a switch to see "a notable difference." Five or six years? So up to half of a student's education could pass before we know if these changes helped or hurt?

Progress: When compared to last year, fewer schools met overall targets for academic performance. A quick look reveals most categories had little change – some small gains and losses – from last year. There were no significant changes in

school counterparts.

Graduation Rates: North Carolina's improving high school graduation rate received ACT is designed to measure how well high school graduates are prepared for college and careers. other states that require the exam, North Carolina was tied with Mississippi for the lowest composite score (19.0). North North Carolina benchmark scores fall within the bottom quarter of results for all four subjects areas.

This is not good news – especially when you consider North Carolina has been teaching Common Core standards since 2011 with the express purpose of improving what students learn and making students more college and career ready. The test scores show that's not happening.■

Raleigh Zoning May Disrupt Residents' Lives

BY ELLIOT ENGSTROM

It is Tuesday, August 18. Members of the Wake County Taxpayers Association (WCTA) sit across from Ken Bowers, Raleigh's chief planner, and Dan Becker, the city's long-range planning manager. The two groups have met at Millbrook Exchange Park in North Raleigh to discuss the city's rezoning and long-term planning initiatives. То the planners' credit, they are here to listen to the concerns of the conservativeleaning citizens' group - but it's clear that the two groups are talking past each other. WCTA Secretary Pam Stevens quotes the Fifth Amendment to the U.S. Constitution, and Bowers seems both confused. unmoved and Chief planner Bowers cites the United Nations' definition of sustainability as appropriate for use in city planning, and Stevens gapes.

This kind of tension between these two groups has not only stalled the planning process, but also threatens to push the situation into court.

The background

In 2013, Raleigh adopted the Unified Development Ordinance (UDO). From the city's point of view, the plan is a way to accommodate the growth of the metropolitan area. According to the city, public hearings have been widely advertised, property owners who will be affected have been notified, and legal notices have been posted in the newspapers.

But from the perspective of

United Nations' sustainability standards above the United States' commitment to private property rights.

The UDO is one part of Raleigh's 2030 Comprehensive Plan. The plan calls for increased density in order to account for continuing population growth.

This includes a number of "mixed use" zoning districts. These districts in some ways act piecemeal portions of the rezoning plan.

Concern on the right, left

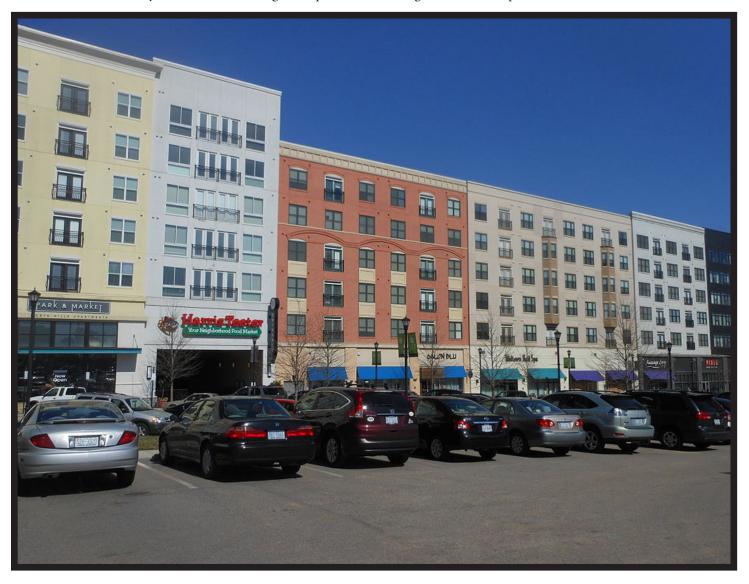
Zoning is supposed to be performed at the municipal level, subject to state laws. But some Raleigh residents are concerned that the city's planning initiative is largely driven by federal and international guidelines.

The City of Raleigh's 2012-2013 annual grant report lists Liberal groups are also worried because impoverished people in Raleigh may see property values in their neighborhoods go up as a result of the changes in mixeduse districts. That will bring higher property taxes, which can push residents out.

The legal outlook

Unfortunately, North Carolina's current law on zoning does not provide that a property owner must show that a regulation (like zoning) deprives the owner of all economically beneficial or productive use of the land for the regulation to constitute a taking. That's a high bar, and it is unlikely that any particular parcel of land in Raleigh will be deprived of all "economically beneficial" value as a result of the UDO.

That leaves us with a



as buffers between commercial and residential areas. Except there's one problem – people already live in these districts, and are mostly happy with what they have.

a number of federal grants that push top-down ideas of how municipalities should plan for the future. Wonderful as the money may seem, federal largesse does not come without strings attached.

Moreover, the WCTA is concerned that the UDO is part of a larger push for international control "The cornerstone of the vision for these plans is sustainability," WCTA the said. "Sustainability entails a green infrastructure that is costly, is an international plan, and is not part of our American form of government." Such standards, combined with the American Planning Association's commitment to "social justice," have put conservatives on alert that control of their lives is more and more based on high-level, top-down initiatives rather

than local needs.

property owners with much recourse if a zoning decision devalues their property. A claim that zoning has devalued one's property is framed as a "regulatory taking." Basically, the plaintiff in such a case is asking a court to declare that what the government is doing via zoning basically is the same as if the government were taking the plaintiff's property via eminent domain, and therefore the government should have to pay just compensation pursuant to the Fifth and Fourteenth Amendments to the U.S. Constitution. This is easier said than Carolina's done. North appellate courts follow the general rule on regulatory takings established by the U.S. Supreme Court in Lucas v. So. Carolina Coastal Council, 505 U.S. 1003 (1992). In that case, the high court held

There's great irony. no doubt property in mixeduse districts of the city will be a hot commodity in the future. So, the home that has stood for 50 years in a quiet neighborhood and that may soon adjoin a high-rise mixedused development may be of greater value to the real estate market than ever before but may not benefit the actual people who have lived there. Homeowners may not be able to afford the higher taxes, and higher taxes may raise rents for renters. In either case, people may be forced to move. It might be that creative lawyers will present the court with a way to redefine its zoning precedent without overturning settled law. Until then, expect to see more tense meetings as zoning planners and worried residents battle over Raleigh's future.

is concerned that the UDO is part of a larger push for international control."

"Moreover, the WCTA

long-term Raleigh property owners, the process is not quite so simple or as transparent as the city claims. Some property owners fear that the city is sacrificing the wealth, safety, and comfort of current property owners in order to pave the way for a future full of high-rises, mixed-use developments, and structures that put conformity with the In keeping with the plan, Raleigh officials set a public hearing for early July 2015. The city clearly was not prepared for the community's response. The crowd that arrived packed council chambers to capacity and spilled over into overflow areas to voice their concerns. Since then, several other public hearings have been held, and the city council has adopted

Scandal

BY BOB LUEBKE

September – it's the month when our thoughts turn back to school. This year parents of kindergarteners will not only need to make sure their child gets on the right bus and in the right classroom, they will also need to know about the Kindergarten Entry Assessment (KEA).

What is KEA? It's not the standard paper and pencil assessment. KEA was approved by the State Board of Education and the General Assembly, and it's part of the standard kindergarten to 3 (K-3) formative assessment.

KEA requires teachers to collect information regarding a student's ability to learn. KEA is part of a data collection infrastructure designed to follow students from kindergarten until five years into the workforce. The entire data collection scheme is a progressive's dream for managing the economy through controlling education and the workforce.

The name of the data collection system, P20W, reflects the breadth of the project: P means Preschool and 20W equates to four years into the workforce.

Few teachers or administrators have ever heard anything about KEA. Under KEA, teachers will be required to collect evidence that correlates to five different grade level constructs or domains. The data will be collected electronically and will help a teacher determine the "learning status" of particular students.

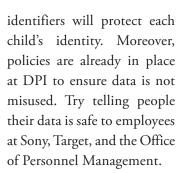
This fall, teachers will be evaluating kindergarten students in two construct areas, Objective Counting and Book Orientation and Print Awareness. In the coming months, the state Department of Public Instruction will add additional constructs and How will parents know that student data will be accurately recorded and that scores aren't merely a function as to whether or not a teacher likes a particular student? That's a good question, with no answer.

and Stays Until Students are Adults

KEA: Big Govt. Comes to Kindergarten

KEA has lots of unanswered questions. For example,

provision. Second, since many parents only object to using a child's photo or video for external use, they don't object to putting a child's likeness or picture in the classroom. However, the current opt-out form does not differentiate for those instances. Another form is needed.



If you think all this sounds a bit Orwellian, you're not alone. A recent Civitas poll found 69 percent of parents support allowing a provision for parents to opt out of the data collection system and creation of a child profile.

Despite public opposition, KEA moves forward. Interestingly, the Family Educational Rights and Privacy Act legislation was intended to protect the rights of parents and students against such abuses. While the gathering of large amounts of student data may have some beneficial effects, it has resulted in a severe decline in student and parental protections over data and those who control it.

KEA thrusts children and parents into a brave new world of electronic data collection of student information and big government promises. Parents should be concerned. Their rights as well as those of their children need to be strengthened and protected. Let's hope the legislature is listening.

new requirements for data in different construct areas. Teachers will be required to collect audio and video "evidence" within the first 60 days of school. The data will then be collected to help develop the child's profile.

To some, that process might seem pretty straightforward, especially if we're dealing with objective aspects of cognitive development. However, subjectivity gets thrust into the equation pretty quickly.

Teachers will be required to collect additional "evidence" in areas such as Emotional and Social Development, Emotional Literacy, and Emotional Regulation. These criteria are by definition more subjective and require far more interpretation by teachers. exactly what data will be collected by the schools? Where will the data be stored? Who has access to the data? Do parents have the right to opt out their child from KEA data collection efforts and the creation of a child profile?

DPI acknowledges that parents might have a problem with their child being photographed or having video taken of him or her. As such, an opt-out form is available from districts regarding video and audio collection. (For more information, go to DPI's Office of Early Learning website and access the FAQ section).

The current opt-out policy is a problem for two reasons. First, schools are not publicizing the opt-out Gathering data on preschoolers that will follow them until they are in their mid-twenties is an idea that is likely to raise the eyebrows of most people.

Parents have legitimate concerns and questions that should be answered. Why does the government need this information about my child? What safeguards exist to ensure the data won't be breached or stolen? What happens to the information after 20 years?

Education administrators and policy advocates tell us not to worry. Unique

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

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