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Debate on NC employee insurance plan delayed again

By GARY D. ROBERTSON
The Associated Press

Thursday, March 19, 2009

RALEIGH, N.C. — An overhaul of the state employee health insurance plan that's supposed to be on the fast track keeps getting delayed as lawmakers and lobbyists try to resolve a flap over prescription drugs.

For a third time this week, the Senate delayed floor debate Thursday on legislation that would reduce benefits, increase premiums and inject $625 million in taxpayer money into the State Health Plan through mid-2011. A floor vote has now been pushed to next Tuesday.

Bill sponsor and Senate Majority Leader Tony Rand said he's giving colleagues more time before a vote because many are still worried about a prescription drug program for people with chronic illnesses.

Independent pharmacists argue the so-called "extended retail" program could force them to lay off workers or close down because more customers would get their drugs by mail order. The health plan leaders estimate it would save the cash-strapped plan $90 million over the next two years in lower drug costs and argues the program has been effective in other states.

"The providers have asked for more time to present alternative ways of handling the problems," said Rand, D-Cumberland. "What we're trying to do is find something that's fiscally responsible and addresses the needs of our employees and the needs of the health plan."

Lawmakers had set an April 1 deadline for getting the final bill to Gov. Beverly Perdue's desk because plan administrator Jack Walker said the plan would soon run out of money to pay its bills to doctors and hospitals.

Some pressure eased when Perdue said she would tap $250 million from the state's rainy-day reserve fund so the plan could pay those bills in the last three months of the fiscal year.

But Rand said lawmakers still need to finish by the end of the month or the state could lose $45 million in savings because it won't be able to make benefits and premium changes by July 1.

The proposal for the State Health Plan's 667,000 public employees, retirees and their family members, come with higher co-payments and deductibles and other eroded benefits.

Employees who insure their spouses and children would see their monthly premiums increase by 7.8 percent annually for the next two years, or from $489 to $569 for the family rate. Employees would continue to pay no monthly premiums for their own coverage.

The "extended retail" prescription drug program would require plan members who receive long-term drug prescriptions for conditions such as diabetes and high blood pressure to obtain medications through an in-network pharmacy or through the mail. The patient would be charged a large co-payment if they don't participate.

Small-town community pharmacists have been sending e-mails and making phone calls to legislators urging them to reject the pharmacy plan. They argue it's unprofitable for them to participate and would cede prescriptions to out-of-state mail order sites.

Patients also don't follow their doctor's orders as well unless they speak with a local pharmacist at pickup, said Mike James, a lobbyist for the Association of Community Pharmacists.
"Mail order, quite honestly as a pharmacist, is bad medicine," said James, who also owns Person Street Pharmacy in Raleigh.

State Health Plan and Medco Health Solutions, the plan's pharmacy benefits manager, say 82 percent of pharmacies and 40 percent of the independents, participate in a similar plan in Illinois. Medco says out-of-state chains would receive $60 million more from the state in higher drug costs if the changes aren't implemented.

Rand said House leaders also are involved in the discussions so that any compromise or replacement savings could move quickly through both chambers and onto Perdue's desk.

Added Rand: "We need the largest savings that we can accomplish with the bill."

March 19, 2009 - 6:55 p.m. EDT

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UNC-Chapel Hill chancellor: Need 5 percent cuts

BY ESTES THOMPSON
The Associated Press

RALEIGH — Layoffs and continued budget cuts will be necessary next year because of the drastic decline in state revenue, the leader of North Carolina's flagship state university said Thursday.

Chancellor Holden Thorp at the University of North Carolina said in a notice to employees that he ordered all departments to prepare 5 percent permanent cuts for their 2009-2010 budgets. Thorp said the cuts should be ready for the start of the fiscal year July 1.

The state, which supports all 16 public universities in North Carolina, has an estimated $3.4 billion budget shortfall for the coming fiscal year.

North Carolina's budget shortfall for the current year is estimated at $2.2 billion. State universities already have made 7 percent cuts in spending this year, which totals about $36 million at North Carolina, Thorp said.

Gov. Beverly Perdue's budget released this week in part would order the state's 16 campuses to reduce spending by 3.6 percent next year, or $96.6 million. Campus leaders would decide where to cut. The schools also would receive 2 percent less earmarked for salaries to reflect.

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CUTS

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their actual spending on pay.

Thor. p said layoffs shouldn't include tenured faculty or those in line for tenure, but would involve "eliminating some positions of employees subject to and exempt from the State Personnel Act."

University spokesman Mike McFarland said it isn't known yet how many employees could lose their jobs.

McFarland said Thorp has posted more than a dozen budget messages on the university Web site since November.

"This is the latest information," McFarland said. "Of-
Reasoned end
Council should approve dining ordinance

The Greenville City Council will soon have the opportunity to end a year-long dispute and preserve the integrity of residential areas by approving the new dining and entertainment ordinance. By codifying the limits and expectations of operating restaurants, particularly in locations requiring special-use permits, the city can strengthen the relationship between neighborhoods and business.

Compromises are not intended to please all parties, and this resolution has its detractors. But the new ordinance represents a sound solution to a high-profile dispute, one that protects the broad interests of the community, and it deserves the City Council’s approval.

The entertaining and dining ordinance approved by the city’s Planning and Zoning Commission on Tuesday is arguably the least likely outcome of an issue that emerged last year regarding Unks, a restaurant located on Jarvis Street in the Tar River-university neighborhood in Greenville.

The owner of that establishment, Jeremy Spengeman, petitioned to change a requirement mandating that food sales be at least 50 percent of overall sales. He asked the city to instead impose the most lenient 30 percent standard used by the state. Though it appeared Spengeman’s request would fall short, a review of the state’s authority under the Alcohol Beverage Control Board indicated that the city might lack the power needed to enforce a tougher requirement.

Yet, instead of allowing the matter to enter the legal arena, Spengeman and the city attempted to forge a compromise that would raise the expectations for restaurants operating in residential neighborhoods and recognizes the state’s authority. Thanks to the hard work of city staff, the result is the dining and entertainment ordinance that imposes reasonable obligations about items like security and lighting to ensure restaurants and nightclubs act as responsible community members.

There will be some residents upset at the compromise and who maintain these establishments should be prohibited from neighborhoods. Their concerns about crime, refuse and noise are valid, and they may never be convinced that the city’s course of action is correct.

Yet, this ordinance seeks to address those fears in a progressive manner, recognizing the importance of strong guidelines to protect neighborhood integrity. And one year after the issue first entered the public arena, the proposal will finally provide a resolution.

Neighborhood preservation was a key issue two years ago when Greenville last held a municipal election, and the City Council can vote for this compromise measure knowing it bows to that goal.
Letter: Help neighborhoods and businesses succeed

Friday, March 20, 2009

I am sure that all of you want to live in a neighborhood that is safe, clean, quiet at night and stable. The families that live in the Tar River-university neighborhood are no different. We love our neighborhood and chose to live here because we love the old homes, the university and the students. We know that a safe place to live is what parents want for their children when they send them to ECU.

Every decision that we make is based on what is good for the stability and safety of our neighborhood. We have wonderful students in our area who take the time to help elderly neighbors, catch our escaped pets and bring them home and add to the beauty of the neighborhood by taking care of their lawns and homes. We value the diversity of our area and we love the concept of a walkable community, complete with a grocery store and drugstore.

When we realized that Unk’s was a bar with many intoxicated students leaving at 2 a.m. rather than a neighborhood restaurant, we contacted the city to ask them to enforce the existing ordinance. None of us want to have students urinating on our bushes, breaking our trees, making very loud noises at 2 a.m. or driving after drinking. We also do not want the students robbed or attacked by people who prey on those who are out at that time.

Would you want a bar in your neighborhood? Do you want to work to make your home a peaceful place to live? I think that all of us want the same thing. None of us are anti-business. We all want businesses to succeed, and we all want a quiet place to live.

Good zoning and good code enforcement will help neighborhoods and businesses. Would you want Unk’s next to your home? I want to see Unk’s succeed in an area that is appropriately zoned for a bar.

ANN MAXWELL
Greenvillee_SPgB

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UNC campuses brace for big cuts

Lawmakers may vote to take more out of the budget than Perdue proposes.

BY ERIC FERRERI, Staff Writer

CHAPEL HILL - UNC system boosters who thought Gov. Beverly Perdue's proposal to cut $192 million from the public university budget was bad news got a cold splash of reality Thursday with the reminder that the cuts could go deeper as the House and Senate do their spending plans.

"History tells us the next two budgets we'll see will have deeper cuts than the governor's budget," Rob Nelson, the UNC system's vice president for finance, told the university's governing board Thursday.

So it goes these days for the folks who run the UNC system and its 17 campuses. A Thursday budget briefing was the latest in a long series of gloom-and-doom meetings over the last several months where campus leaders have detailed the damage the ongoing economic crisis is having on higher education.

UNC system President Erskine Bowles attempted last week to plug the hole, insisting UNC cannot reduce spending more than 5 percent next year -- even though campuses have been working on budget-cut scenarios of up to 7 percent, and some state agencies are now looking at 9 percent. Further, he urged state leaders to make temporary cuts and restore them when the economy rebounds.

Bowles thus far has not gotten his wish.

Perdue's recent budget proposal would slash the UNC system's budget by $192 million, a 6.5 percent reduction. Additionally, 92 percent of Perdue's proposed cuts would be permanent.

"They will be with us forever," Bowles lamented.
On many campuses, a cut of 5 percent or more would eliminate trimming around the edges. Faculty and staff will be laid off. Academic programs will be shuttered, and construction in some places may be halted.

At N.C. Central University, a long-anticipated addition of 50 to 75 students to a nursing program aimed at addressing a state nursing shortage is off the table for now, Chancellor Charlie Nelms said, though construction on a new nursing building will proceed.

At UNC Chapel Hill, where Chancellor Holden Thorp has ordered campus leaders to expect 5 percent permanent cuts next year, 50 faculty searches are being suspended, there will be a reduction in cleaning and grounds keeping, the Institute for Outdoor Drama may be shut down, and a spousal-hiring program used as a faculty recruitment tool will be eliminated, said Richard Mann, UNC-CH’s vice chancellor for finance and administration.

Several campus leaders said they would not make across-the-board cuts, which spread the pain evenly, when not all employees or academic programs are of equal value.

One example: "I will not allow us to take any cuts in our police officers," Mann said. "We don't have enough as it is."

Some campuses are getting creative. At UNC-Charlotte, officials are integrating English composition across the undergraduate curriculum because they don’t have enough English faculty to teach the 293 sections it currently offers.

And at East Carolina, 20 administrative posts have been eliminated, a music therapy program has been eliminated, and campus leaders are pondering a new, more cost-effective way to offer summer school.

Perdue’s budget recommendation would fund two key UNC system priorities -- enrollment for the 4,705 more students expected to arrive on campuses this fall, and need-based financial aid, which campus leaders argue is more important now than ever.

Acknowledging that Perdue's spending plan is just one step in the process, Bowles on Thursday pledged to continue his lobbying efforts.

"This is only step two in a five-step dance," he said. "This ain't gonna be no waltz, but we will get through it."

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Study: Colleges profit from illegal immigrants

Most pay out-of-state tuition, which is more costly than in-state tuition

BY KRISTIN COLLINS, Staff writer
Comment on this story

In a time of tight budgets, a consultant delivered a surprising message to the State Board of Community Colleges on Thursday: It's cheaper to admit illegal immigrants than to keep them out.

Based on information from the 2006-07 school year, the consultant said the state makes about $1,650 on every student who pays out-of-state tuition, which would likely include illegal immigrants.

On the other hand, the cost of verifying immigration status in order to exclude undocumented students could cost each college about $9,000 a year, the consultant told the board's policy committee.

"I was a little surprised at how much of a revenue source it was" to admit illegal immigrants, board member Stuart Fountain, chairman of the policy committee, said after hearing the report.

Fountain also expressed concern about the cost of implementing a system to check the immigration status of every student, which would probably be necessary if the colleges instituted a permanent ban on illegal immigrants.

The preliminary report Thursday was part of the board's effort to craft a permanent policy on the admission of illegal immigrants at its 58 campuses.

Decision months away

Any new policy is sure to be controversial, and Fountain said it will take several more months of meetings and study to formulate one. A final report from the consultants is due in mid-April.

The board has been struggling with the issue since the winter of 2007, when a decision to admit illegal immigrants at all campuses -- with out-of-state tuition rates -- caused a public uproar.

In May 2008, battered by public criticism, the colleges closed their doors to undocumented students.

They made the move on the advice of the state Attorney General's Office, which said that admitting such students could be a violation of federal law.

The board has kept that policy in place even after getting word from federal officials that no law bars the admission of illegal immigrants.
Board members made that decision at the urging of Beverly Perdue, who was then a board member and a candidate for governor.

In November, the board hired the Maryland consulting firm John B. Lee and Associates, at a cost of about $75,000, to study the costs of admitting illegal immigrants and the practices of other states.

The consultants said Thursday that they looked at all the taxpayer money that goes into the colleges, and determined that the cost per student in 2006 and 2007 was $5,375. Out-of-state tuition that year was $7,024.

When they calculated the cost at each individual campus, all but one of the community colleges profited from students who pay out-of-state tuition. At the one exception, Pamlico Community College, each out-of-state student costs taxpayers $69 a year.

Consultants also looked at a national survey of colleges to determine the average cost of verifying immigration status. It was $9,400 a year at four-year institutions and $8,600 at two-year institutions.

Other states
The consultants also looked at policies in 11 states with large immigrant populations, such as Texas, Florida and California.

They found that five of those states admit illegal immigrants at in-state tuition rates, and five charge out-of-state tuition.

Only one, South Carolina, does not admit undocumented students. In that state, the schools use the federal program Systematic Alien Verification for Entitlements, or SAVE, to determine immigration status.

Kennon Briggs, executive vice president of the N.C. Community College System, asked the consultants to include the cost of using that system in their final report.

Fountain said the board is conducting a thorough and methodical study so it can create a solid policy after years of waffling on the issue.

"We have had four policy shifts in the last seven years," Fountain said. "We've got to stop the flip-flopping."

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What's ahead
It will take several months for the State Board of Community Colleges to formulate a new policy on the admission of illegal immigrants. Here's what's to come:

On April 16, consultants will present a final written report to the board's policy committee.

The committee will review the report, hold work sessions and develop a recommended policy.

The full board will settle on a final policy.

The policy will go through an administrative code review, a state-mandated process that includes public comment and could take six to 18 months.
City to talk to Duke about rowdiness

STAFF WRITER JIM WISE
Comment on this story

DURHAM - Durham's city council agreed Thursday to take the issue of bad behavior by Duke University students to university President Richard Brodhead.

"We need to go directly to where the buck stops," said Council Member Howard Clement, who had raised the issue at Monday night's council meeting.

The council's decision came in response to complaints by residents of Trinity Heights, the neighborhood just north of Duke's East Campus, who complained about public drunkenness, loud parties and litter.

"We can't live like this," said Carol Lewis, a Clarendon Street resident.

The council decided to send a letter of complaint to Brodhead and request a meeting, because council members said repeated meetings between city and other Duke administrators have proved fruitless.

Students, said councilman Eugene Brown, "see themselves as cool cats but they're using that neighborhood as their sandbox."

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John Kerry to speak in Chapel Hill today

Staff Reports
Comment on this story

CHAPEL HILL - U.S. Sen. John Kerry, the 2004 Democratic candidate for president, will give a free public lecture this afternoon in Chapel Hill.

Kerry is scheduled to speak at 2:30 p.m. at Hill Hall Auditorium at UNC-Chapel Hill. No registration or tickets are required to attend.

The former candidate’s appearance comes in the home county of his running mate, former U.S. Sen. John Edwards. Kerry is scheduled to talk with reporters before the speech, but there was no word on whether he planned to meet with Edwards.

Today’s event, known as the Weil Lecture on American Citizenship, is sponsored by the Institute for the Arts and Humanities.

The Weil Lecture was founded in 1915 by brothers Henry and Solomon Weil. Speakers have included presidents William Howard Taft and Jimmy Carter, U.S. Sens. J. William Fulbright and Nancy Kassebaum, Eleanor Roosevelt, CBS and NPR correspondent Daniel Schorr and Commerce Secretary Juanita Kreps, according to the Institute for the Arts and Humanities.

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