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Editorial: A price for tax decrease
Friday, July 1, 2011

North Carolina consumers making a costly purchase this weekend will save a few dollars thanks to the elimination of a 1 percent increase in the state sales tax, originally enacted as part of the 2009-11 budget. Expiration of that temporary one-cent increase was a priority of the Republican majority in the General Assembly, a pledge fulfilled with the budget that takes effect today, the start of the new fiscal year.

Retention of that tax may not have saved the thousands of jobs axed as part of the new budget nor avoided the contraction of public services that North Carolina will see as a result of the Republican spending plan. But the refusal to consider a more reasonable balance of spending cuts and tax increases ensures that the state will see some difficult days ahead.

Republican leaders contend they were sent to Raleigh with a clear mandate to shrink the size of government and kick start an economy that seems resistant to revitalization. North Carolina's double-digit unemployment rate fueled voters' anger in 2010, as did a growing list of Democratic missteps and ethical lapses that justifiably embarrassed the people of this state. The GOP was able to ride that tide of discontent into the party's first legislative majority in a century.

Republican leaders advanced the idea that a smaller state government will free the private sector to create jobs, thus ending the jobless woes. However, their efforts to gut the One North Carolina Fund, the Golden LEAF Fund and other job-creating initiatives ran counter to that belief since public-private partnerships have a proven track record of helping the state's rural corners.

Additionally, the budget enacted harms the most important area of state government — public education — by cutting millions for schools, community colleges and the state
university system. Thousands of teaching positions will be eliminated and schools such as East Carolina University must swallow budget cuts that could affect their core mission.

While GOP lawmakers were resolute about eliminating the temporary sales tax, they did nothing to avoid a massive hike in the gas tax that will take effect today nor advance the type of comprehensive revenue reform the state desperately needs. They did this despite Gov. Beverly Perdue's objections, overriding her veto to make the budget state law.

North Carolina residents will enjoy the savings that result from the sales tax reduction and a promise fulfilled. They should appreciate it, as it came at considerable and lasting expense.
RALEIGH Like hundreds of other state employees, William Jones worked his last day Thursday, and he was not happy about it.

Jones, a 56-year old Wake Forest resident, enjoyed his job at the N.C. Museum of Natural Sciences, where as a maintenance mechanic II he was a jack of all trades - unloading packages on the dock, sorting mail, arranging for repairs for the heating and cooling system, plumbing and electrical problems and installing phones.

Despite months of talks about budget cuts, it was still a shock when he and three co-workers were called into the human resources office a month ago and told they were going to be laid off June 30, the last day of the state's fiscal year.

"Whenever you are told you are going to lose your job it is stressful," Jones said. "You look forward to going to work every day and try to do the best job that you can. Then all of a sudden they are telling you, 'See you later, here are your walking papers.' You wonder how you are going to pay your bills."

With the beginning of the July 1 fiscal year, there were numerous layoffs across state government as the result of steps taken to close a $2.5 billion budget shortfall.

There are no complete figures on how many people were laid off Thursday. A preliminary estimate from the state budget office is that at least 527 state employees lost their jobs - a figure that does not include teachers, university employees, community college employees or those funded by federal receipts.

"Eventually there will be thousands," said Chris Mackey, the governor's press secretary. "It will come from the universities, and it will come from education agencies. There will be thousands of layoffs."

Republican legislative leaders, however, have said some downsizing of state government is necessary to balance the budget. And the Republicans have said Perdue's estimates - which she told a Democratic Party breakfast back in April could be as high as 30,000 when state and local jobs were included - were vastly overstated.
In the University of North Carolina system, the full effect of the job cuts will not be known for several weeks until the UNC Board of Governors takes action on its budget.

But from January through May, 227 UNC system employees covered under the State Personnel Act were laid off, as were 42 exempt UNC employees. Those figures do not include the sizable number of adjunct faculty and lecturers whose contracts were not renewed.

The reductions-in-force affected people doing all sorts of jobs. At Cultural Resources, exhibit designers, curators, archaeologists and educators were among those laid off.

In a memo to departmental employees, DENR Secretary Dee Freeman attributed the cuts to the Republican legislature, which overrode the veto of the budget by Democratic Gov. Bev Perdue. He noted that a combination of budget cuts, divisional transfers and fund shifting had reduced the number of DENR employees by 1,050.

"For those of you who leave DENR as part of the RIF process, I sincerely thank you for your dedication and service to the department, and wish you all the best in your future endeavors," Freeman wrote. "And for those of you who remain, I challenge you once again to do more with less."

One of the DENR employees laid off was Jones. He had been in his job since 2007 and was drawing an annual salary of $28,334.

He has a wife, who was laid off from her private sector job two years ago and still does not have a job, and a teenage daughter. There is pain in his voice, as he tries to figure out why his job was eliminated and not others.

'It's frustrating'

Jones sees a basic inconsistency in laying off people, while the department has been advertising for people to staff the Nature Research Center under construction next door to the natural sciences museum.

"It's frustrating that on the same day you are laid off, and you look on the Office of State Personnel website and you see five jobs in the same building you are working in and the salaries are ranging from $84,000 to $124,000 a year, and I'm making less than $30,000 a year and I'm getting sent home," Jones said. "Some of these jobs are like science and communications director, space exploration laboratory director."

On the same day he was given his pink slip, Jones said, the museum introduced a new curator of birds.
"Why are they still hiring people when others are getting laid off?" Jones said. "It doesn't make any sense."

Now Jones is heading into a job market with a four-month severance package.

"I will have to give 100 percent into finding something," Jones said.

Although the layoffs are all the products of the Great Recession, not all the layoffs can be laid at the feet of the legislature.

Take Martha Lowrance, who until Thursday worked as a child advocate in the youth advocacy section of the Department of Administration.

Lowrance, 61, made $41,429 per year advocating for children's issues before various state government agencies.

Lowrance got a notice that all three people in her section were on the chopping block in November when Perdue ordered her Cabinet secretaries to find budget cuts of 15 percent.

**Devalued workers?**

The child advocacy section stayed in the budget in the state House, but was taken out late in the process in the Senate at the urging of the Department of Administration, Lowrance said.

"The Department didn't value our work as much as we thought they should," Lowrance said. "Sometimes they didn't see it as a core part of what the Department of Administration does."

Lowrance and her fellow counselors have in recent days stopped taking requests for help, as they wound down their cases. Lowrance, a lawyer, plans to retire from the state after 19 years. But she hopes to find another job that can provide similar satisfaction in helping people.

When she closed up her office Thursday, Lowrance said she was leaving something of value behind.

."The thing I hate," Lowrance said, "is the services will not be available to the families and the children."

Staff writer Lynn Bonner contributed to this story.

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Blue Cross, UNC Health reach accord

BY ALAN M. WOLF - Staff Writer

Blue Cross and Blue Shield and the UNC Health Care System announced Thursday that they've agreed on terms of a new contract, avoiding potential disruptions for patients.

Though such deals typically aren't earth-shattering news, contract negotiations among insurers and hospital systems have become more heated in recent years. The federal health overhaul and other changes in the industry are increasing pressure on both sides to keep costs down.

A contract between UNC Health and Aetna expired in February, forcing thousands of local patients to find new doctors or clinics.

The Blue Cross deal includes a "modest inflationary increase" in fees paid to UNC Health. Exact terms of the multiyear deal weren't disclosed.

The deal also has at least one change that could lower consumers' costs. UNC Health's hospital-based clinics generally will be billed as physician office visits starting Aug. 1. That could mean lower co-payments and out-of-pocket expenses.

"In 2011 we have reached agreements with several hospitals across the state for modest increases," said Blue Cross CEO Brad Wilson, in a prepared statement. "We are optimistic that other hospitals will follow UNC's lead and show that they are serious about joining the fight to rein in health care costs."

The state's largest health insurer has more than 3.7 million members, and typically has the clout to call the shots with medical providers. Its members include UNC Health's own employees and coverage administered for the state employees' health plan.

The UNC Health contract covers medical care and services at the system's flagship hospital in Chapel Hill, Rex Healthcare in Raleigh, Triangle Physicians Network and other affiliated facilities and providers.

As UNC Health expands its network of physicians and facilities, it's able to take a tougher stance in negotiations with insurers. UNC Health officials have held no new discussions with Aetna about their expired contract, spokeswoman Jennifer James said.
UNC Health "remains committed to the continuity of care for our patients and the development of creative solutions that reduce health care cost," said CEO Bill Roper, in a statement.

Blue Cross and UNC Health announced plans in January to collaborate on a new type of medical center in the Triangle exclusively for about 5,000 Blue Cross members.

The center is scheduled to open in mid-December, but officials are still finalizing a location, said Blue Cross spokesman Lew Borman.

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RALEIGH North Carolina's community colleges could save about $5 million a year by folding administration and back-office work at the smallest campuses into larger neighbors, according to a legislative efficiency report released this week.

But campus leaders are balking at the proposal, saying $5 million a year in savings is small compared to the disruptions the mergers would cause.

"If the recommendation to consolidate colleges is implemented, it would devastate our rural communities," said Mary Kirk, president of the N.C. Association of Community College Presidents. "It is all they have. Our rural citizens would no longer have access to the same level of affordable education and training."

The General Assembly's program evaluation division reported that merging the administration at 15 of the smallest colleges into bigger campuses within 30 miles, and forming a purchasing cooperative to get volume discounts, would save nearly $30 million over six years.

No campuses at the country's third-largest system would close. The schools with fewer than 3,000 full-time students would lose their separate presidents, payroll departments and other administrative functions to the larger community colleges in the merger.

The report, released Tuesday, found that the smallest colleges cost about 50 percent more to operate than larger campuses.

Twenty of the state's 58 community colleges already run multiple campuses. In all, there are 162 campuses and off-campus satellite centers in 91 of the state's 100 counties.

Community college leaders should be directed to decide which 15 of the 22 smaller, rural colleges that could fit the profile for possible consolidation should be merged, said Catherine Moga Bryant, who wrote the report for lawmakers.

**Efficiency touted**

Kirk argued that the community colleges already are efficient, working with less funding but serving thousands more students than the University of
North Carolina system, while also offering education to high school students and prison inmates. The colleges had the equivalent of about 244,000 full-time students this year after accounting for the many students who attend part time.

Community colleges are looking at many ways to become more efficient, never more so because of pending spending cuts, Community College System President Scott Ralls said. The state budget that will take effect today cuts about $115 million from the funding that would have maintained current service levels.

"I would hope that there may be several places state leaders would want to look first before tackling the costs, both tangible and intangible, that would come through such a drastic change," Ralls said in a written response. "The fact that only $5 million would be saved by consolidating 15 community colleges speaks directly to the lean nature of our colleges."

Kirk and Ralls said they agreed that community colleges should combine their purchasing power to get better prices for high-volume product purchases.

Members of a legislative committee that heard the merger proposal postponed any decision until they meet again next month.
Gary L. Miller was selected as the new chancellor for the University of North Carolina Wilmington in May 2011.

**Ex-colleagues praise UNCW's new chancellor**

By Jason Gonzales
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Gary Miller has been ready to be a chancellor for two years, according to his ex-boss.

"For the last couple years, I thought he had gained the experiences to the best anyone can when they serve in the position that he was in as provost," Wichita State University President Don Beggs said. "He was ready."

About that time Miller applied to schools all across the nation. He was a finalist for at least six universities.

"He knew (UNCW) was it, because he said it was the perfect match for him," said Laura Manning, administrative assistant to Miller at Wichita State. "He said he felt his personality was perfect for that job."

It's a sentiment that officials at UNCW and in the UNC system shared, naming Miller in May as the fourth chancellor in the school's history. He officially replaces Rosemary DePaolo on Friday.

Many hold in high regard the abilities, leadership and personality Miller displayed at Wichita State, and say he will do well.

**A researcher**

His most valuable quality to Beggs is his ability to stay current.

"He likes to stay actively involved with what we are doing and what others are doing," Beggs said.
As the provost for academic affairs, Miller was instrumental in assessing the school's needs during steep budget cuts, Beggs said. He made tough decisions about academic programs and personnel.

Beggs noted that Miller did hours of research to make decisions. He looked at the numbers, as well as macro and micro issues in higher education and at Wichita State to inform his decisions.

He drew in as much information as he could from different sources.

"When we made decisions he looked at what do these numbers represent. We had a lot of discussions on what do we need, what can help us to make meaningful decisions," Beggs said. "He is well informed and very data-based in his decisions."

It's because his leadership is based on his background as a scientist, said David McDonald, associate provost for research at WSU. McDonald reported directly to Miller.

"He doesn't go with his gut or a feeling," he said. "I don't think he acts in a capricious way. He is consultative and listens. Ultimately someone has to decide on a hard decision, and he does that after knowing what's out there."

That also means that Miller will stand up for what he believes are the right decisions.

Frederick Hemans, a past Wichita State senate faculty president, said they didn't always see eye to eye.

"Gary is a tough-minded individual, and he doesn't suffer fools gladly," Hemans said. "There is always some push when you have a difference in opinions."

But Hemans said he respects Miller's ability to look at all the angles. In September 2010, instead of discontinuing an ailing physics department because of its chronic low number of majors and graduates, Miller merged it with the math department.

Many faculty members weren't happy with the decision, but it was a result of budget cuts.

"In the end, Gary's solution of combining the two was the best solution," Hemans said.

**Likeable boss**

Those closest to Miller say he is a wonderful person to work around and be around.

As a boss, he is laid back, said Keith Pickus, a close friend and interim provost in Miller's stead.

He is less of a micro-manager and more of a team builder. He encourages independence.
"He is one of the best bosses I have ever had," Pickus said. "He gives direction for his employees but allows tremendous latitude and freedom for them to define their role as they see fit."

And while Miller understands that there is a lot of work to be done, Manning said he knows that family comes first. She said it's because he is a family man.

"He always stressed the importance of being there," she said. "I got to go to activities that my kids were in because he encouraged it."

Manning also said she will miss his sense of humor. Something everyone at Wichita State said they enjoy about him.

"We would be going through his calendar for the day, and out of blue he would make me laugh out loud," she said. "It's this sort of dry humor, and funnier than heck when you least expect it. It was never at anyone's expense. He is just funny."

Many say that Miller also brings with him a valuable asset: his wife, Georgia. Pickus said the two bring a tremendous partnership to UNCW.

"They are a a team," he said. "UNCW is going to have an opportunity to experience that."

"They bounce ideas off each other, they have an open home and they see that doing so is a commitment to the community."

McDonald said there shouldn't be much tension at UNCW under Miller.

"With Gary, what you see is what you get," McDonald said. "He is an affable fellow."

And if anyone has anything different to say about him, Manning said, she will have a word with them.

"I told him before he left, that if they don't appreciate you there, I will set them straight," she said. "He is wonderful to work with."

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University of North Carolina Wilmington Chancellor Rosemary DePaolo talks about her career and her legacy. Photo By Mike Spencer/STAR-NEWS

Outgoing UNCW Chancellor DePaolo looks back on years of change

By Jason Gonzales
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There was always an option to leave for outgoing University of North Carolina Wilmington Chancellor Rosemary DePaolo.

"People recruiting you happens pretty frequently when you have been doing this as long as I have," she said. "And there were always, I guess, other opportunities that were possible. But this school has always captured my imagination more than anything else."

In her final StarNews interview as chancellor, the New York native sat down recently to discuss her chancellorship, which officially ended Thursday. She talked about her time at the university including her decision to retire, her legacy, her toughest moments, what the next chancellor faces and her love for the university.

DePaolo made her move to UNCW in 2003, leaving the presidency of Georgia College & State University.

During her tenure, she has overseen $250 million in construction projects. More than 40 percent of all students now live on campus. SAT entry scores and enrollment numbers have grown.
She concedes her time at UNCW has had its up and downs, but it's always been about aiming for excellence. Her mission, she said, was to help provide the quality level of private education at a public institution.

It has been a joy to serve, she said. And she will always be a part of the university, in its history and through a building named for her.

"I have loved being chancellor, but the greatest thing I can imagine is being a student here," she said. "Maybe that's what I will have to come back and do."

Q. What brought your decision to retire?

A: "I came back at the beginning of this year and realized we really had achieved all the goals that we had set out for ourselves despite budget cuts, despite all kinds of financial obstacles, and the recession. It was time for new leadership, a new direction, and I realized I was ready."

Q. What brought you to UNCW?

A: "I fell in love. I remember crossing the bridge and gasped, literally, at the beauty of the town. And then (I) came over to the university.... It had so much potential. And that's the kind of thing that excited me. It had already achieved so much in a short period of time under the great previous leaders, but there was this enticing potential."

Q: What do you believe your greatest success has been?

A: "I know what I felt, but it's been gratifying in the last couple of weeks and months to hear that other people believe it too. This is a university that only talks about quality, and the quality has gone up and up. That's important to me."

Q: What were your toughest moments? I know you have said the murders in your first year were especially tough for you.

A: "In any job like this there are hard times, but nothing can compare to the end of the first year. Nothing can compare to the loss of precious young life.... (After that) Anytime something happens and we are really upset, no matter what it is, Cindy Lawson (assistant to the chancellor for marketing and communications) will say 'no one died.' It's a good philosophy to have, and one I have adopted. Nothing else is as serious."

(In 2004, two students, sophomore Jessica Lee Faulkner and Christen Marie Naujoks, were murdered in separate incidents in less than two months' time. They were the university's only murders involving students. One happened on campus and the other off campus.)

Q: What do you want people to remember most about your time here?

A: "When I first came everyone always asked me, 'What's your vision for the school?' With lots of discussion, what we started to realize is that we are part of a tiny, tiny handful of universities that are doing both (teaching and research), that
we are perhaps a different breed. That we are a teaching/research university. We created something very distinctive."

**Q: What were the difficulties of balancing a teaching-research curriculum?**

**A:** "It's harder to do, to not just be a sage on stage talking at students, but they are involving them. Its active, that's different."

**Q: What kind of challenges does Chancellor Gary Miller face?**

**A:** "I talked to Dr. Miller and gave him an overview of the budget situation. He is going to be facing a budget situation that none of us could have anticipated, even a few months ago. We knew it was bad, but didn't know it was as draconian as this. At this point, there is nowhere left to go. There is not much flex. He is going to be facing a situation that is very difficult. I just am hoping that everyone gives him all the support he needs in what is going to be a very tough year."

**Q: What will you miss most about the school?**

**A:** "That's easy, the students."

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'Canines in Uniform' by Matt Cook are available at ArtWalk in Boone.

By Frank Ruggiero

There's nothing like seeing man's best friend in full military regalia to get one in the mood for Fourth of July festivities.

The paintings of Matt Cook do just that.

Cook now has on display a collection of pugs, boxers, schnauzers and other pups dressed in military uniforms from home and abroad. The serious garb and traditional style of the paintings compete with their fun-loving subjects.

Born in Jacksonville, Fla., in 1964 into a military family, Cook was first exposed to art lessons at an early age while his family was living in the Philippines. He graduated from the School of Art at East Carolina University with a bachelor of fine arts degree in graphic design in 1994. It was there that he discovered his true love of printmaking and painting.

Cook's work consisted mainly of printmaking and woodcuts, and over the last few years he has added acrylic paintings to his repertoire. His
accomplishments are made up of landscapes, still life paintings and pet portraits. He has also painted historical and unique vanishing architecture, such as churches, warehouses and diners throughout North Carolina.

Cook has obtained many awards from the "Art Show at the Dog Show" in Wichita, Kan., and it is his dog pieces that have garnered him the most response and praise. Cook's beloved boxer has been the subject of several of his dog portraits and woodcuts, but it wasn't until Cook met a man at a party that his newest phase of painting portraits of dogs in costumes was born. Cook was commissioned to paint a portrait of his own boxer in a military costume for the Carolina Boxer Rescue's website.

Cook's dog portraits, bear paintings and other artwork can be found in ArtWalk's lower level. With three and a half floors and more than 300 local, regional and national artists, ArtWalk is located at 611 W. King St. (across from Mast General Store) in downtown Boone. Hours are Monday through Saturday, from 10 a.m. to 6 p.m., and Sunday, from 11 a.m. to 5 p.m.

For more information, or to inquire about individual gallery booths for rent, call (828) 264-9998, e-mail artwalkboone@yahoo.com or visit www.artwalkboone.com.