Right now North Carolina's credit rating is better than the U.S. government's, and state Treasurer Janet Cowell is "cautiously optimistic" that it will remain that way.

Standard & Poor's last week took the unprecedented step of downgrading the federal government's credit rating from AAA to AA+, but it hasn't changed the state's triple-A rating. The other two major rating firms, Moody's & Fitch, continue to give their highest ratings to both the U.S. government and North Carolina.

But seven local governments across the state - including Wake and Durham counties - are under review by Moody's. A review can lead to a rating downgrade.

Such ratings are important because they can affect the interest rates that governments and corporations pay when they borrow money. The higher the rating, the lower the interest rate.

Cowell said in an interview Tuesday that her office has received no indication from any of the rating firms that they are contemplating a change in the state's rating. A member of her staff, Vance Holloman, who heads the state and local government division, recently talked to two of them.

"We are cautiously optimistic about maintaining the triple-A," Cowell said.

In addition, several weeks ago Moody's reviewed all of the states that it rates AAA but ended its scrutiny of North Carolina without making a change, Cowell said. By contrast, Moody's has continued its review of five other states: Virginia, South Carolina, Tennessee, Maryland and New Mexico.

Cowell said her optimism about the state's credit rating stems from North Carolina's "very conservative debt management."

"We don't borrow money for operating expenses, unlike other states," she said. "We only borrow funds for capital projects."

North Carolina's roughly $7 billion in debt amounts to about 2 percent of the gross state product, while the federal government's debt amounts to 79 percent of the nationwide gross domestic product, Cowell said.
As for the local governments being reviewed by Moody's, Cowell said, "It's hard to understand what the rhyme and reason is" for the reviews.

All seven "are very well-run and managed," she said. "The only reason they are being reviewed is some of the federal government turmoil." Today all the local governments under review are rated AAA by Moody's.

Mecklenburg, New Hanover and Guilford counties, plus Greensboro and Winston-Salem are the other local governments whose credit rating is being reviewed by Moody's.

Factors that Moody's could consider in a review, Cowell said, include: reliance on federal funding; the total outstanding debt; the amount of debt with variable interest rates; and the amount of reserve funds.

Says pension fund safe

Cowell issued a statement in late July warning that a downgrade in the federal government's rating could hurt the state's $74.9 billion pension fund, which she manages. But Tuesday she said that the fund is well-positioned to weather the volatility in the stock market triggered by Standard & Poor's downgrade of the federal government.

She said that the diversification of the pension fund's portfolio is especially important right now. At the end of June, 45 percent of the portfolio was invested in stocks.

"Certainly we are seeing the ups and downs like any investor right now," Cowell said. "But we still feel confident we are managing and positioning the portfolio as well as possible."

Cowell said the pension fund also has hired its first risk manager.

"One of the big lessons out of '08 is that it is not just about the rate of return, but what risk you are taking to get that return," she said. "Like many pension funds, we are taking a lot more of an ... analytical approach to our investing."

The pension fund provides retirement benefits for more than 850,000 state employees, teachers, firefighters, police officers and other government workers. In the fiscal year that ended in June, the fund earned an 18.48 percent return on its investments.

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**UNC bonds affected**

Associated Press

Standard & Poor's has lowered its rating for bonds issued by the UNC system 20 years ago to construct a building leased by the federal government on the Chapel Hill campus.

S&P credit analyst John Kenward said the downgrade from AAA to AA+ is limited to $37 million in bonds issued by the university in 1991 for a laboratory facility leased by the U.S. Environmental Protection Agency.

Kenward said the UNC bond downgrade is a direct result of the company's downgrade Friday of U.S. government bonds. He said the move does not reflect negatively on the creditworthiness of any other bonds issued by the UNC system.

The series of UNC bonds affected by the downgrade are set to mature in 2015, with about $14 million in debt still outstanding.
Football fans' fumble

To be fair, let's put ourselves in the shoes of these athletics boosters at UNC-Chapel Hill who now are making the kind of noises people make when they're thinking about filing a lawsuit, or when they want someone to lose sleep worrying over the possibility that a suit might be in the works.

The boosters, after all, paid good money to drag their university further into the muck of quasi-professional football. What's the point of lolling about in the exclusive seating area you helped finance - lording it over the sun-fried masses with their hindquarters aching from those metal bleachers - if your team is doomed to be led by some coaching mediocrity who might, in a good year, take them to a bowl in Bismarck, N.D.?

Butch Davis was to be the rock upon which a suitably superior Tar Heel football program would be built. To the most ardent boosters, superiority would mean ACC and even national preeminence.

But Davis a few days ago was stripped of his head coaching job by Chancellor Holden Thorp, who decided - despite his vocal support for Davis over the past year - that he could no longer avoid a leadership change in the face of accumulated blemishes on the university's good name linked to various football program sins.

Then arose the weeping, wailing and gnashing of teeth from fans whose contributions, typically in exchange for special perks, went toward construction of the "Blue Zone." Bright idea, courtesy of some lawyers in the bunch: File a mammoth public records request seeking ... seeking ... well, something, anything, that would make Thorp himself look bad.

The lawyers want all of Thorp's correspondence going back 14 months with a dozen high-profile people who just might have figured in the decision to fire Davis. They want cell phone records. All of this they're entitled to under state law. They want the material turned over in a week.

What this amounts to is a brazen effort to intimidate and harass Thorp, to punish him for acting to defend the university's reputation as a place where athletics programs are conducted by the rules and where academic integrity is the paramount standard. The university's true supporters should rise in its defense - which means putting these selfish boosters in their place. Call it the Boo Zone.
Shakeup at Shaw: President Irma McClaurin quits

BY PAUL A. SPECHT - staff writer

RALEIGH—Shaw University, which has endured a tumultuous three years - including financial problems, damage from a deadly tornado, an accreditation review and several leadership changes - is undergoing another executive shakeup.

Irma McClaurin, Shaw's third president in three years, resigned Tuesday. The move came one day after the university's vice president of academic affairs informed school officials that she too is leaving. And several weeks ago, a board member stepped down, citing concern for the downtown school's leadership and finances.

"Shaw University has seen many changes and experienced challenges in the last six months," the university said in a statement late Tuesday. "And with change comes transitions."

Shaw's statement did not elaborate on the departure. And McClaurin, 58, declined to say what led to the resignation. Both said it was a mutual decision.

"We all are here for a purpose," McClaurin said in an interview Tuesday. "In the time I've spent at Shaw, I've served my purpose."

Word of the resignation came a day after Marilyn Sutton-Haywood, Shaw's vice president of academic affairs, provided 60-day notice that she would not renew her contract with the university.
Shaw spokeswoman Sherri Fillingham declined to comment further on the matter.

It was unclear Tuesday who would fill either position. Board members referred questions about the resignations to Willie E. Gary, chairman of Shaw's board of trustees. Gary, a Florida lawyer, did not immediately return messages seeking comment.

McClaurin, Shaw's 15th president and the school's first permanent female leader, was in the job for less than a year.

Before taking the post, she worked as an administrator and anthropology professor at the University of Minnesota and the University of Florida. McClaurin, a graduate of Grinnell College with a doctorate in cultural anthropology from the University of Massachusetts, Amherst, was also program officer for the Ford Foundation.

She was the most recent in a string of leaders in a time of turmoil for the oldest historically black college in the South.

McClaurin was hired Sept. 6, replacing Dorothy C. Yancy. Yancy took over as interim president in June 2009, after the abrupt announcement that President Clarence Newsome was taking a one-year leave of absence and would not return.

In 2009, Shaw revealed that it was more than $20 million in debt. In 2010, the university was given a $31 million federal loan to keep its doors open.

On April 16, less than eight months into McClaurin's tenure, the school suffered more than $3 million in damages when a tornado touched down on campus. More than 27 buildings were damaged.

Shaw mounted a rapid recovery. All of its classrooms and residence halls are open. And classes are scheduled to begin next week.

"The fact that we were able to put this campus back together in so little time was remarkable," she said. "Talking to parents, having them say 'We can see where (Shaw is) going' - that was special."

Quick turnabout

On Sunday, as freshmen checked into dorms, it seemed as if McClaurin was there to stay.

She talked of taking her "Imagining More" campaign to private investors and alumni across the country. She hoped to improve the school's financial situation.
"We still have a funding challenge," she said Sunday. "The goal is to boost donations more aggressively."

Reached by phone Tuesday night, Anita Brower, Shaw's vice president of institutional advancement, declined to comment on the school's finances.

But the books - and McClaurin's leadership - had been a point of contention lately.

Trustee Cornell Adams, owner of Accurate Set in Newark, N.J., resigned in July after three years on the board.

"There was no accountability for funds," he said Tuesday. "I didn't like the situation."

"From the chairman down to the rest of the board, thereweren't too many people happy with her."

Adams doubted her decision to leave was mutual. "There were people wanting her out of there, including myself," Adams said.

**Money problems**

The university's financial situation has also threatened its accreditation, which is due for renewal. The university received an extension after the tornado.

But in April 2010, Shaw said it would be placed on probation if its accrediting agency evaluated the school then. At the time, university officials said cash flow wasn't strong enough to satisfy the standards of the Southern Association of Colleges and Schools.

Asked Tuesday whether she worried about the school's reaccreditation, McClaurin responded, "That's not for me to say."

She said the disorganization and lack of unity at Shaw had done its students a disservice.

She said she hopes her departure leads to unity at the school.

"We have become a spectacle," she said.

Staff writer Josh Shaffer contributed to this report.

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NCSU scrambles after data release

From Staff Reports

RALEIGH–Data housed on a N.C. State University computer server that contained private information for about 1,800 schoolchildren from Richmond and Wilson counties was inadvertently made available online, university officials said Tuesday.

The data, gathered from 2003 to 2006 as part of a research study on classroom practices, included names, Social Security numbers and dates of birth. The three affected elementary schools are the now-closed Ashley Chapel in Richmond County and Gardners and Wells in Wilson County.

The state Department of Public Instruction notified NCSU about the data exposure July 25 after receiving a call from a parent of one of the students. NCSU officials immediately removed the data from the server and contacted Google to request that it remove any saved copies, said Marc Hoit, vice chancellor for information technology, in a news release.

"Our next step was to launch a forensic review of all our servers to make sure there were no other instances of inadvertent data release," Hoit said. There is no evidence that any of the data was used improperly, he said, but the university wanted to ensure that parents were aware.
Archaeologists at the College of William and Mary have unearthed part of a foundation of an early 18th-century dwelling that may have housed slaves who worked at the school.

The partially unearthed foundation was discovered beneath a sidewalk near the Wren Building on the Williamsburg campus. The exposed area has been filled in for safekeeping until it can be properly excavated.

“The discovery of these foundations is too important to rush the process,” said Louise Kale, director of the school’s Historic Campus, in a release. “We need some time to put together a partnership of all the necessary scholars to interpret this site.”

The discovery becomes part of an ongoing project to recover the history of the African Americans who lived, worked and studied at William and Mary centuries ago.

One campus scholar, Joe Jones, said the foundation can be dated to the early 18th century from the type of mortar used in the construction. That would actually make it newer than the Wren Building, which — and this is not a misprint — was built between 1695 and 1700.
“It’s a substantial outbuilding or dependency,” Jones said in the release. “Based on the time period, where it’s located and the dimensions, it’s probably a specific-function building like a kitchen building, or maybe quarters for slaves.”

Here’s more on the structure from another campus scholar, Neil Norman, a specialist in the archaeology of the African diaspora:

“It’s probably not a privy, probably not a stable, probably not a smokehouse. Those kinds of structures are usually wooden and relatively ephemeral. If it was an outbuilding, it was a relatively substantial one and one that could have been used for quite some time. If you are going to invest money into durable materials and energy into creating what, back then, was a relatively massive structure, then it’s something intended to endure.”

Norman is part of the college’s Lemon Project, an initiative that examines the college’s past ties to slavery. The project is named after Lemon, a slave named in early college records.

Much is known about Thomas Jefferson and the other affluent white men who dwelled on campus, Norman said, “but we don’t really know about the lives of the people like Lemon who, during Jefferson’s time, cooked, cleaned and made academic life possible. This site has the potential to allow us to interpret the conditions of their lives and add them to the emerging narrative of the college.”