

VIEWPOINTS

Discretionary funds: Who's responsible?

Who is responsible for the "discretionary funds" we have been reading about — the ones that are budgeted to state agencies with the understanding that certain legislative leaders would direct how they would be spent?

We blame the politicians, of course. But, the rest of us have to take our share of responsibility, too, especially those of us who push our local representatives to get state funding for important local projects — roads, museums, educational institutions, arts organizations, and other good causes.

When our state representative legislators get state funds for local projects, we don't condemn them. On the contrary, we honor them at groundbreaking and other celebrations.

Getting government money to fund worthy projects is a big part of what government is all about. Ideally, the legislature looks over the public needs of the state each year, prioritizes them, and then passes a budget that allocates funds in accordance with those priorities.

For the most part, it really happens that way. But around the edges, there is always a fight to fund special projects and special concerns of individual legislators — projects and concerns that might not make it to the top of an objective list of the state's top priorities.

Around state government, these battles rage everywhere, all the time. In the legislature, one of the two big battlegrounds is in the "open" progress in which the members vote on a budget bill that has specific items that appropriate monies for particular purposes and projects.

I put the word "open" in quotation marks because many of the budget decisions are made behind closed doors in secret meetings of small groups of legislators. But before the budget passes, every legislator has an opportunity to vote for or against the final spending package.

The budget bill will always contain money for the favorite projects of legislative leaders. Also there will be money for the leaders' allies.

Critics will tell you that these are "payoffs" for loyalty or for being members of the leaders' teams.

I remember when, a few years ago, the House budget writers gave each House member the opportunity to designate a few thousand dollars for a favorite project. These small awards were genuine "pork barrel" projects, even though most of them were for good things like volunteer fire departments, parks, or schools.

The inclusion of this long list of small projects usually kept legislators from complaining about the big items of "pork" that the leaders had scattered throughout the rest of the bill.

On one occasion, when the late and legendary Billy Watkins was in charge of the House budget process, another legislator had the audacity to object to the "pork" spending in the budget bill. Watkins drew into himself and joined the debate and said he



One on One
D. G. Martin

would accommodate him by removing the legislator's project from the bill.

The objecting legislator melted and promised to say no more if only Watkins would leave his project in the bill.

The civics lesson is simple. Some legislators will, at least sometimes, compromise their principles in order to have something in the budget that "delivers the goods" for their constituents, supporters, and friends.

The second battleground is harder to follow. Sometime a powerful legislator wants to accommodate supporters by getting state funds for a particular community project. But the legislator does not want to fight a public battle to get a specific spending item in the budget.

Instead, the legislator comes to an understanding with a government agency.

The legislator says to the agency administrator something like this, "If I arrange for an increase in your budget, would you be sure that your office awards some of those funds to help this project that I am interested in?"

The agency's administrator nods an okay.

The budget is then passed with the extra appropriation but without any reference to the project. Later, the agency awards the funds to the favorite project, without any public record of the legislator's involvement.

The discretionary funds we have been reading about take this process a big step further. More money and more projects are involved and use of the funds is to be managed at the future discretion of the top legislative leaders.

I could argue that leaders in the legislature need a little bit of "walking around money" to do their job, bring order to the legislature, and make things happen.

Even if I convinced you that it was a good idea, there is a problem. The North Carolina Constitution provides for a separation of powers between the executive and legislative branches of government. Once the legislature, acting together as a unit, passes a budget bill that directs how state government funds are to be spent, the executive department then has responsibility to implement the legislature's spending program. When the legislature tries to give to its leaders "discretion" over state spending, it intrudes into the constitutional responsibility of the executive.

So, if a legislative leader wants to get the authority to direct the spending of funds that have already been appropriated, here is what he or she ought to do: Run for Governor.

Beware of noddors

Now bear with me, the beginning of this article will be as misunderstood as the doctor was after finishing a physical examination of a patient. The doctor looked at his



A View from the Country
Raz Autry

patient and said, "I can't find the exact cause of your trouble, Mr. Jones, but it is probably due to drinking too much."

The patient looked at the doctor and replied, "Gee, I'm sorry to hear that, Doc. I'll come back when you're sober."

For many years in North Carolina local school committees, made up of local citizens, hired the principals. The principal hired the teachers and was accountable to the committee. Such was the case with me when I was hired as the principal for a union school. When I went for the interview I met the custodian, who was to become a great friend. Regardless, I asked him about the committee. As I keyed on each member he made a remark about each. When I got to the last member he said, "He is a nodder."

I didn't know anything about a nodder, but was to soon get the definition. A nodder is one who doesn't have many thoughts of his own and when a statement is made by another he just nods in agreement — whether he agrees or not.

Now the nodder leads to another interesting situation. The leader in the school of education at most universities took great pride in placing the administrators in schools. Usually these professors took for granted those to be hired and the ones doing the hiring took their word for the character, leadership and academic ability of the recommended. Often said at times those professors misjudged my ability. When people asked me why I don't have a doctorate in education I reply that I am already educated beyond my intelligence.

After I had been at my first school for a few years I needed an additional course in administration. To get the course I choose to go to the University of North Carolina at Chapel Hill. The professor was a fine gentleman but he was also one of those who felt he should choose the school administrators. After class one day he call me aside and said, "You have been at that school long enough. I want you to go to this county, they have an opening for a principal and tell the superintendent that you are the man I want him to hire for the job."

After all, the professor had the pencil and I wasn't interested in flunking the course, therefore I headed to the county. When I got an interview with the superintendent I didn't tell him the exact words the professor used. After much beating around the bush, I told him I would like to apply for the job. He said, "Raz, I am sorry I just filled that position yesterday."

Monday rolled around as Mondays usually do, and I knew the professor was going to quiz me. Before the class started he called me aside once again and said, "Did you take the job?" I said, "He hired someone yesterday."

The professor looked shocked and barked, "The son-of-a-b—"

That superintendent became good friends years later, I never told him what the professor called him.

This may be a round-about way to lead into the meat of this article but here goes. Some strange things have been going on in our state legislature. The president of the Senate and the speaker of the House have abused their power for all to see. It is time for both to go.

To give away a million dollars of state land, which really is owned by the taxpayers for a dollar insults all the taxpayers. In addition, the speaker of the house gave the land for the new campus of Johnson Wales University for \$5; it was worth five million. The first question that could be asked by the taxpayers, "Didn't the members of the house and senate vote on it?" Sure they did, but they all became noddors. The vote in the senate was 50-0. If my memory is correct, only one opposed giving the land to Johnson Wales. He will probably be sitting outside of the building, hidden from view. He will not serve on any committee except the clean-up committee, which is sought by all. It is unusual for anyone who stays in the position of power for a great length of time to not get the idea that his word is law and those under him should just nod when he speaks. I suspect all of us who have been in authority for any length of time fit that role. Personally I have been accused of it and was guilty.

Now since I do not hold such a position I can't even get my goats to listen to me. I can understand but not agree with the members of both houses. If they do not go along, they will not be getting any committee assignments and apparently those positions are the highlight of the legislators' goals. Not only did Black and Basnight give away land, Black had five million dollars to give to projects to his noddors. Basnight did better, he had \$10 million. When confronted by the media, both of them suddenly sprouted wings and are prepared to fly off to Heaven just as soon as they finish giving up the rest of the millions all for good causes.

My parting thought — Senator: I stand on my record. Taxpayer: Yeah, to keep us from taking a good look at it.

New County of Hoke Job Application

NAME _____
ADDRESS _____
PHONE _____ SS# _____
SEX M F

Circle the best answer:

If you are hired and later asked to train a new employee, how much time should pass before you are replaced by the person you trained?

- a. Before the ink dries on his application
- b. Wait a while to make it less painful
- c. Never. That would be evil..

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What to follow in public help?

YOU DECIDE

Dr. Mike Walden
N.C. Cooperative Extension

Recently, a proposal was made to require North Carolina Medicaid recipients, who now pay nothing upon hospital admission, to pay \$50 if admitted.

The proposal's opponents argue it's unfair because Medicaid recipients typically are very low-income households, and even a modest \$50 fee would be burdensome. Supporters say without a fee, users will undervalue the medical services and be motivated to over-use hospital facilities.

These kinds of arguments replay frequently in public-funding discussions. Recent skirmishes include college tuition, assistance for buying prescription drugs and public transportation. Battle lines are drawn between those wanting more governmental help and those watching the budgetary bottom line.

In economics, these countering positions are not new and are, in fact, expected. They're called the conflict between equity and efficiency. I call them the conflict between our heart and our head.

The equity, or heart, position is about compassion. We see a person living in poverty or with very limited financial resources, and our heart says to help them. Many of us help with our time or monetary contributions to charity. Or we willingly pay taxes to fund government programs, like Medicaid, food stamps and the earned income tax credit, to assist these persons and households.

The efficiency, or head, position is about possible negative consequences of this compassion. These consequences can come in three forms: to the taxpayers funding the programs, for both those receiving and those providing the assistance.

For taxpayers, the negative consequence of funding public assistance programs is that taxes reduce the reward earned from working. Studies find that people cut back on their work effort when taxes are taken from their income. This appears to be the case particularly when the tax revenues aren't used to fund something the taxpayer directly uses, like a road near their home or a school for their children.

For those receiving the assistance, the con-

cern is what it does to their motivation to self-improve so they don't need more assistance. Of course, for some recipients, especially the disabled or elderly, self-sufficiency may not be an option. But for others, open-ended or very generous assistance can reduce the incentive to invest in their personal capabilities.

Finally, assistance providers like hospitals (and physicians in the case of Medicaid) can suffer the negative consequence of overuse. When a service like medical care is very cheap or perhaps free to public assistance recipients, a natural reaction is for them to use more of the service. This is straightforward economics: price goes down; use goes up. This may then strain the service providers and increase the need for further public funding and higher taxes.

At times, policymakers have tried to address these consequences by putting time limits on receipt of some public help or by directing more public funding to programs that promote self-sufficiency. But many public assistance programs are without limits and continue to grow in size.

The conflict between the heart and the head in public assistance programs will likely never be resolved. Perhaps the best outcome is that both sides be recognized and considered in public debates.

You decide.

Dr. Mike Walden is a William Neal Reynolds Professor and extension economist in the Department of Agricultural and Resource Economics of N.C. State University's College of Agriculture and Life Sciences. He teaches and writes on personal finance, economic outlook and public policy. The Dept. of Communication Services provides his You Decide column.

We Get Letters

Why is gas high?

To The Editor:
Your March 23, 2005 political cartoon humorously addressed extremely high gasoline prices, but did not seriously address the reason. So, please allow me to share my opinion.

Shortly after the turn of the last century, President Theodore (Teddy) Roosevelt, the "Rough Rider" who heroically led the charge up San Juan Hill, became the "trust buster"; who heroically led the charge against exploitation of American worker/consumers by special interest manipulation.

Shortly after the turn of the present century, America is digressing into the same manipulative state in which special interest dictation of legislative policy paves the way for special interest exploitation. Gasoline prices are the classic example!

The former/future CEO of a major oil company is now serving as vice-president of our nation. His four, going on eight years of political advantage, have opened the doors for his former/future corporation to enjoy special economic advantage.

The acquisition of Iraq's large per-

centage of the world's oil supply has obviously created a monopoly. The lack of fair competition a monopoly creates always results in higher prices, now doesn't it? And OPEC is so conveniently available to blame, isn't it?

The sensationalistic aircraft carrier announcement of victory in Iraq some 1,350 U.S. soldiers' lives ago did not end hostilities in Iraq, did it? And U.S. troops will remain there as long as U.S. private contractors and oil company workers need protection from insurgents, won't they?

Until the children of the CEOs of special interest corporations, and the children of the legislators to whom their lobbyist dictate war policy, are required to serve in the U.S. military, along with the children of the worker/consumers special interest corporations exploit, a monopoly will insure higher gasoline prices, and privilege will exempt the exploiters from the immeasurable cost in life and blood, now won't it?

Think about it, please!

Robert C. Currie Jr.
Laurinburg

Calendar

(Continued from page 1A)

The group essentially wants the school calendar to follow the calendar lawyers follow.

- The proposed time off includes:
- a month off at Christmas
 - five days for Martin Luther King Day
 - a week at Valentine's Day
 - a week at President's Day
 - two weeks at Easter
 - a week for Memorial Day
 - two days for Mother's Day
 - four days at Father's Day
 - a week for Independence Day
 - four days for Labor Day
 - four days for Columbus Day
 - four days for Veterans Day
 - two weeks at Thanksgiving

Also included are every Friday off, and days off for each of the four solstices, Election Day, Patriot Day, Halloween and National Boss Day.

"We'll be nowhere near 180 days under this schedule," says local school spokesperson Ima Lyon. "This is just a disaster," she says. "First, the tourism industry, now lawyers, what's next?"

The change comes closely on the heels of legislation pushed by the state's tourism industry that forced schools to start late in the summer to beef up beach tourism.

Jackson house

(Continued from page 1A)

middle of nowhere, yet it's convenient. "Plus, we hear it's easy to get out of the local jail," Fiyer joked.

Jackson himself probably won't arrive in Raeford before mid-summer, depending on the course of his trial.

Jackson has numerous homes scattered around the U.S.

The Main Street home will be a

modest 3,500 square feet. Fiyer declined to reveal its value, but he called Raeford's construction prices a steal.

Raeford people won't see much of the star, but the Chamber of Commerce has confirmed rumors he's considering a one-time Turkey Festival performance.

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Home Page: www.thenews-journal.com

- Ken MacDonald (ken@thenews-journal.com) **Publisher**
- Pat Allen Wilson (pat@thenews-journal.com) **Editor**
- Victoriana Summers (vicky@thenews-journal.com) **Reporter**
- Hal Nunn (hal@thenews-journal.com) **Sports Writer**
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