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Mapping the Left: Look for Union Label

Website Adds Network Showing How Labor Adds Muscle to Progressive Movement

BY SUSAN MYRICK

It was natural to include unions in the Mapping the Left website (mappingtheleft.com). They are the quintessential leftist political machine. With virtually unlimited bank accounts, thanks to mandatory membership and dues, more lawyers than one would care to count, and the best community organizing structure (thanks to the cash), they are the model for the activist Left. So, how do they fit in with North Carolina's vast progressive/socialist network of groups?

Knowing that North Carolina's union membership is one of the lowest in the country, just ahead of only South Carolina, we had to make the case that unions play a vital role in the strategy and workings of the enormous progressive movement in our state. The Bureau of Labor Statistics, in a January 28 news release, listed North Carolina as one of five states that had union membership rates below 5 percent in 2015. North

Carolina's rate was 3 percent (up from 1.9 percent in 2014), while South Carolina's rate was 2.1 percent.

Historically, most North

"conservative Democrats," and unions and their members kept even lower profiles. But it seems that in the last few years, with the demise of the

In the last five years, we've watched as unions have taken their place across North Carolina in get-out-the vote efforts for political campaigns

fellows at the Center for Responsive Politics who spent 30 years on staff of the Federal Election Commission (FEC), explains that labor's financial influence in campaigns appears to be much higher than once thought: "We have always known that much of [unions'] influence comes from their political mobilization, but we have never been able to put a number on it. They are a human force in the political process, but a lot of that falls outside the kind of spending that needs to be disclosed to the FEC."

According to the OpenSecrets.org, unions spent more than \$1.1 billion from 2005 through 2011 supporting federal candidates through their political action committees (PACs). In addition to direct contributions, the unions' undisclosed political mobilization efforts Biersack referred to adds an additional \$3.3 billion in the same period.

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Demonstrators at the downtown Raleigh march by radical groups in February 2014.

Carolinians would not have wanted to identify as liberal and would have certainly rejected the idea of unions – our state is proud to be known as a "right to work" state. In the past, liberals kept their political ideology to themselves, all the while identifying as

state Democratic Party and the subsequent emergence of hundreds of liberal/progressive groups linked together by money and ideology, unions have chosen to take their stand publicly, helping us make the case for including them in Mapping the Left.

and as organizers at rallies and protests against the conservative agenda. At recent protests, we have even seen them begin to present themselves as the bullies we are accustomed to seeing on the national level.

In a Wall Street Journal article, Bob Biersack, a senior

CLC to Illuminate 2016

BY NCCC STAFF

This year's Conservative Leadership Conference will be the biggest ever – and it will also be one of the most exciting!

Hundreds of conservatives will be gathering March 4-5 at the Embassy Suites Cary hotel at 201 Harrison Oaks Blvd. in Cary, just off Interstate 40 at exit 287 (Harrison Ave.).

A roster of speakers will provide attendees with insights into politics and culture in this crucial year. The Friday night keynote speaker will be Dinesh D'Souza, a leading author and filmmaker. Other top speakers include author and attorney David Limbaugh and former U.S. Rep. Allen West.

They'll be joined by speakers who have thrilled past CLC audiences, including documentary filmmaker

Ann McElhinney, Lt. Gov. Dan Forest, Center for Neighborhood Enterprise President Robert Woodson, and Breitbart Texas Managing Director Brandon Darby.

Among the other dynamic speakers will be Jimmy Kemp, president of the Jack Kemp Foundation; Sabrina L. Schaeffer, the executive director of the Independent Women's Forum; and Frank Buckley, a senior editor at The American Spectator.

A slate of breakout sessions will illuminate the most pressing issues of today. Capping the weekend will be our Council of State Candidate Forum.

Go to civitasclc.com for more information. ■

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Confinement Gave Writer Shocking Insight into U.S.

BY JIM TYNEN

To write a book about our country, conservative writers usually do research, then do interviews ... but Dinesh D'Souza is perhaps the first to do time.

This is what makes his most recent book, "Stealing America," a powerful and thought-provoking revelation.

D'Souza has had a long career as a writer and a public intellectual. His 2010 book, "The Roots of Obama's Rage," was described as the most influential political book of the year. He followed that in 2014 with the book "Obama's America: Unmaking the American Dream." He moved into filmmaking with, "2016: Obama's America." The film quickly rose to the second-highest grossing political documentary of all time.

In the fall of 2014 he was hauled into federal court for improperly donating money to a friend who was running for the U.S. Senate. This kind of offense often goes unprosecuted, or is punished with a slap on the wrist, especially when the accused admits the crime and apologizes, as D'Souza did. D'Souza, however, was nearly sent to a federal prison and, in the end, was sentenced to eight months in a state-run confinement center in San Diego. That meant spending every night in captivity among convicted killers, robbers and

drug dealers finishing up their sentences. He gained a view of life and the country he had never gotten before, and it stunned him.

He got to know criminals and "began to see politics very differently," he wrote in the book. "I understood, for the first time, the psychology of crookedness. Suddenly I had an epiphany: this system of larceny, corruption and terror that I encountered firsthand in the confinement center is exactly the same system that has been adopted and perfected by modern progressivism and the Democratic Party. This book is an exposé of Obama, Hillary, and modern liberalism not as a defective movement of ideas, but as a crime syndicate."



He added, "This book is about a remarkable scheme to steal America."

Yes, he goes on to write, even the FBI and DEA, not to

mention the IRS, operate like gangs. As another inmate told him, "You have to realize, homie, that Obama's a gang leader, just like I used to be."

Parts of this criminal conspiracy, he asserts, are scams. Take "social justice."

He describes it as a way to stir envy as a cover for taking your money and handing it out to various clients and cronies. Then there's Social Security, a Ponzi

scheme that surreptitiously funds the government while placing Americans in a dependent state. Or sometimes the criminal activity is outright theft, as

when the Affordable Care Act took over the health-care system for the benefit of bureaucrats and insiders.

Even to conservatives this may seem like a far-out notion. But D'Souza is determined to make his case. For those on the right,

some of the most intriguing passages are those in which he looks at the careers of Saul Alinsky, Barack Obama, and Hillary Clinton in this light.

Alinsky is the community organizer who was the ideological godfather for modern progressives. Clinton wrote her college thesis on him, and Obama began his activist career working with Alinskyite organizations in Chicago. What is most revealing, D'Souza says, is that Alinsky himself was a con man.

He got his best ideas not from idealists and thinkers, but by studying Al Capone's mob. He claimed to be working for the people, but in a magazine interview he boasted about how his hustle worked for his own benefit. By the end of his life, he lived far from the mean streets of Chicago in beautiful Carmel, Calif.

His protégés Obama and

Clinton followed him, D'Souza wrote, with the exception that Alinsky was a small-time crook and they had their eyes on the biggest heist of all: the United States.

D'Souza's key insight into Obama is a clue that's lying in plain sight. Yes, Obama called his memoir "Dreams From My Father." But, D'Souza writes, the truth is the president didn't so much seek to emulate Barack Obama Sr.'s African heritage, politics, or intellect, but rather his career as a liar, fraud, and con man. The results of the younger Obama's obsession with such a father are strewn across the last seven years of our history.

As for Clinton, our readers are all too familiar with how she and her husband feathered their nest during their long careers of "public service."

By the way, other conservatives have made the same point. "Remove justice," St. Augustine wrote, "and what are kingdoms but gangs of criminals on a large scale?" D'Souza, however, is perhaps the most convincing, if only because he saw criminals up close. These insights, and his portraits of the criminal class, make "Stealing America" a fascinating book.

This is why we at Civitas are looking forward to his appearance at our upcoming Conservative Leadership Conference March 4-5 at the Embassy Suites Cary. Go to Civitascl.com for more information. ■

Go to civitascl.com for more about Dinesh D'Souza and other dynamic speakers at the Conservative Leadership Conference on March 4-5.

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Mom Leads Fight Against \$2B Bond

BY MATT CAULDER

The North Carolina mother who leads the organized opposition against the \$2 billion bond referendum being touted by Gov. Pat McCrory and other state leaders is ready for the “David and Goliath” battle looming ahead of the March 15 vote.

Nicole Revels, who is spearheading the group NC Against the Bond, recently said she is gathering information about the bond to share with whoever she can reach across the state, despite being up against a \$3.5 million fundraising goal by pro-bond campaigns.

Advocates for the bond say it will provide prudent funding for needed infrastructure.

“It’s been 15 years since the last general obligation bond was authorized to upgrade our state’s infrastructure, and since then North Carolina has added 2 million people in population,” McCrory said in a comment on the pro-bond site connect.nc.gov.

“The \$2 billion bond will connect North Carolina to the 21st century through statewide investments in education, parks, safety, recreation, and water and sewer infrastructure.”

“The Connect NC bond will allow us to pay for 50-year assets with 20-year financing. No tax increases are necessary to finance the bond, given our strong revenue growth and ample debt service capacity.”

We will continue to balance the budget and uphold our position as one of only 10 states to have earned the coveted triple-A bond rating from all three major ratings agencies.

At its kickoff meeting, the pro-Connect NC camp had raised \$750,000.

NC Against the Bond is a committee registered with the State Board of Elections opposed to the bond. Revels filed the paperwork for the committee.

As of January, NC Against the Bond had reported \$113.17 in contributions, with \$16.69 of that going to purchase its domain, www.againstthebond.com.

“This is a ‘David and Goliath’ fight,” Revels said. “I’m just compiling information and attempting to share that with

the voters.”

Revels said her discussions with legislators have brought to light that some of them who voted to put the bond on the ballot in the March primary are not even sure what is in it, so she questions how the voters can have the information they need to make an informed decision.

Revels said the projects alone were not important enough to fund through the conventional budget process, but are now important enough to lump into a bond referendum.

“I just don’t feel like we should be taking on debt,” she said. “If the projects are truly worthwhile, they should be handled during the budget process. And they did look at some during the budget process, and they weren’t important to (the legislators) then.”

Revels also said she feels the bond has been a big “bait and switch.”

The bond was originally billed as a transportation bond, but the final product does not include any transportation projects.

“It was originally proposed as a transportation bond,” she said. “I think it was in order to gain acceptance under that guise. A lot of places across the state are feeling that need.”

Instead, 49 percent of the funds will go to the University of North Carolina System, while 17 percent will go to the state’s community college system.

The other largest chunk of the bond, at 16 percent, is directed to grants for local parks and water/sewer bonds.

Revels also said she doesn’t think it is right to saddle her children with this debt.

“I’m a mom. I think that we need to seriously consider what we are asking the next generation to pay for,” she said. ■

This story originally appeared online at nccapitolconnection.com

Monthly Petition

I Support ESAs in NC

I support the creation of Education Savings Accounts (ESAs) for North Carolina families. No school is perfect and no school can serve the needs of every child. That’s why it’s so important that parents be able to choose where their children go to school and what they learn. ESAs allow parents to use taxpayer funds to create a personal account to pay for K-12 educational expenses such as tuition, books, tutoring, testing and fees. ESAs put parents in charge of their children’s education. I urge everyone in North Carolina to support an ESA program.

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Study Offers Ominous View of NC Finances

University Center Sees Danger in State Spending Growth, Unfunded Pensions

BY BRIAN BALFOUR

North Carolina's total state government spending consumes twice as large a share of the state's economy as it did in 1970, and per-capita spending nearly quadrupled – even after adjusting for inflation – during that time.

These are among the many findings of a newly published paper released by the Mercatus Center of George Mason University. The study, "To Be Rather Than to Seem: Fiscal Responsibility and the Political Economy of North Carolina," examines a wide array of measures of the fiscal health of the Tar Heel State.

Written by two economists from Western Carolina University, the study raises serious concerns about North Carolina's long-run state spending trends and unfunded pension liability – to name just two.

In their assessment of the ninth largest economy in the nation, the paper's authors find that North Carolina still ranks only 39th among U.S. states in per-capita income but has enjoyed a state gross domestic product (GDP) growth rate slightly above the national average since 1970.

More interesting, however, are the red flags raised by the study's authors regarding the unsustainability of state spending trends and the "false impression of solvency" presented by the commonly reported state pension liability.

Total state spending – including the General Fund, transportation and federal aid –

ballooned by 600 percent from 1970 to 2012, after adjusting for inflation. Population growth does not explain away this whopping increase, either. Per capita spending, even after adjusting for inflation, grew nearly fourfold during this time.

In short, state government is spending virtually four times as much money per person than it was four decades ago.

Indeed, by 2012 total state spending had grown to 8.8 percent of the state's GDP, double the 4.4 percent share in 1970.

Clearly, state government has grown well beyond just providing the core functions of government. It has morphed into something that would have been unrecognizable just a generation ago. For the lower- and middle-class families that find themselves having to work longer and harder just to stay even, the growing burden of state government is an important culprit.

A significant part of North Carolina's state government spending problem is the lavish nature of pensions for state retirees. The study notes that state spending on pensions grew an astonishing 2,000 percent from 1970 to 2012, even after adjusting for inflation. This growth rate dwarfs the spending growth on education during that time, which totaled about 500 percent. Pensions grew from about 4 percent of total state spending in 1970 to more than 11 percent by 2013.

Moreover, in spite of reports

coming from state Treasurer Janet Cowell's office bragging on the relative health of the state pension fund, the study's authors warn of the smoke and mirrors being used to obscure a more realistic – and alarming – unfunded pension liability.

Like most states, North Carolina uses unrealistically



rosy projections for the returns on the funds invested in the pension fund. The state treasurer manages the \$90 billion pension fund, which is one of the primary sources of payments for pension obligations. The higher the investment returns, the better equipped the pension fund is to handle future pension obligations. But, of course, the lower the returns, the more perilous the fund's financial outlook.

Using the state treasurer's current 7.25 percent expected returns, North Carolina's unfunded pension liability is calculated at \$3.4 billion. A

growing number of financial experts, however, strongly recommend using a more realistic discount rate. The study's authors recommend using 3.84 percent, roughly the going rate for a 15-year Treasury note. Using this expected rate of return, the unfunded pension liability grows tenfold

study calls "troubling" and "unsustainable," the authors recommend strict spending limits at a constitutional level, favorably mentioning Colorado's Taxpayer Bill of Rights (TABOR) passed in the 1990s.

And to address the sizeable and growing state pension

liability, the study recommends converting state workers to a defined-contribution retirement plan, such as the 401(k)-style plans already available to full-time state employees in the UNC System.

North Carolina's fiscal health has been on the mend of late, but unfortunately – as this new academic study reveals – the state has suffered for decades from massive spending growth and accumulation of debts and unfunded liabilities. Only through significant policy reforms can North Carolina truly get its fiscal house back in order. ■

to \$34.5 billion, which equates to nearly \$14,000 per North Carolina family of four.

Making matters worse still is the state's growing debt. Per person state debt in North Carolina increased fourfold between 1970 and 2005, even after adjusting for inflation. Debt levels have dropped some since then but still remain well over three times 1970 levels. These figures may become relevant in the current debate over the Connect NC bond referendum.

The study addresses several other areas of North Carolina political economy, including education spending, transportation, health care, state debt and insurance regulations.

The study's authors conclude with several recommendations to improve North Carolina's fiscal health. On taxes, the study declares that the state's 2013 tax changes represented "significant steps toward reform" but "did not go far enough." Continuing down the path of lower income tax rates while broadening the tax base and simplifying the tax code will make North Carolina still more attractive relative to our neighboring states, according to the study.

To stem out-of-control state spending growth, a path the

To Be Rather Than to Seem: Fiscal Responsibility and the Political Economy of North Carolina

Stephen Miller and Zachary Gochenour

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Mapping the Left: Look for Union Label

CONTINUED FROM PAGE 1

Some highlights of union activity since 2010 coordinated with the many left-wing groups working in North Carolina include:

Political campaigns

In 2011, the A. Philip Randolph Institute, an affiliate of the AFL-CIO whose namesake was an avowed socialist, joined Common Cause, a left-wing nonprofit that specializes in community organizing, and Planned Parenthood, to overturn the majority on a single county board of education.

The three groups, which are all members of the Blueprint NC network of progressive groups, were successful helping Democrats regain the majority on the Wake County School Board. Blueprint NC is the organization famous for the 2013 strategy memo that described the game plan for its membership to use to attack North Carolina's Republican leaders. Blueprint NC was formed by the Z. Smith Reynolds Foundation in 2006 to help "progressive" advocacy groups coordinate activities and messaging. Blueprint NC's strategy memo recommendations included:

- "Cripple their leaders;"
- "Eviscerate the leadership and weaken their ability to govern;" and
- "Pressure McCrory at every public event."

Moral Mondays

The Moral Monday protests began in 2013 and were no doubt a direct result of the Blueprint NC strategy memo. Hundreds of protesters recruited by North Carolina's liberal advocacy groups, including unions, gathered at the General Assembly on Mondays during the 2013 session to protest the General Assembly's agenda – leading to arrests each week. Labor always had a presence at these protests, from hosting to the organization of each week's protest. The protests began to fizzle out in 2014, and by 2015 the protests were virtually nonexistent.

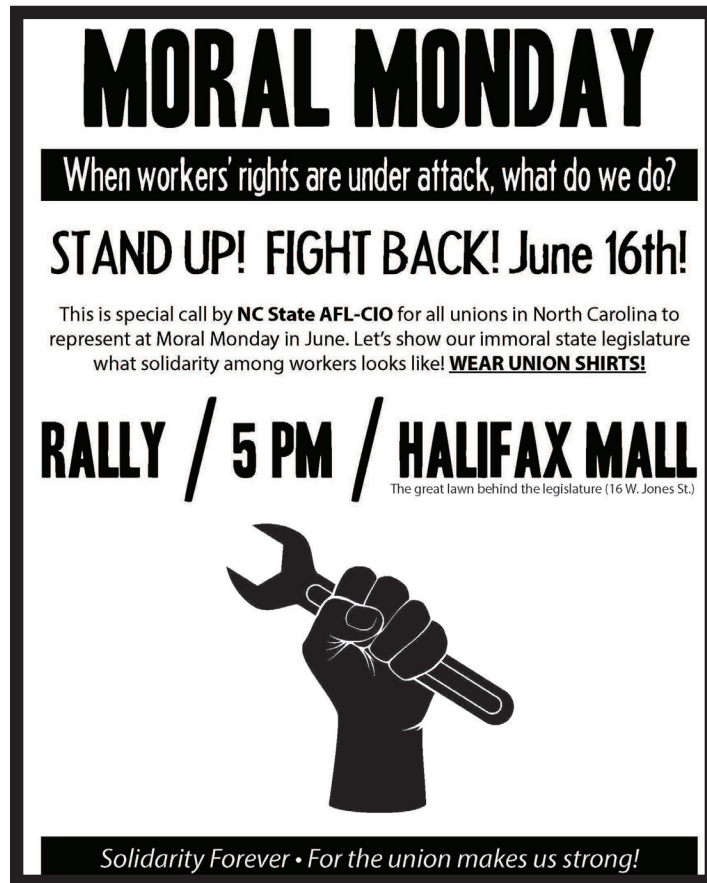
Shortly before the September 2015 hearing on the 2013 elections reform legislation (VIVA), we discovered

something Civitas and others had suspected but hadn't confirmed – the Moral Monday organization in 2013-2014 was a union-funded project.

It was the North Carolina Republican Party that discovered and highlighted U.S. Department of Labor reports showing \$20,000 in

protesters to push a radical agenda. Finally, the revelations showed that union money, coordinated with the left-wing Blueprint "eviscerate" NC organization, was the fuel that kept the protests going until they began to fade away during the 2014 legislative session.

According to the NCGOP:



2014 in direct compensation from the Service Employees International Union (SEIU) to William Barber, president of the NC NAACP (Blueprint member) and also the Moral Monday mouthpiece.

The NCGOP also exposed millions of dollars being funneled from the SEIU and other labor unions to groups that worked to organize and populate Moral Monday rallies. The reports also suggested the money was used to pay

• In 2014, SEIU funneled \$1.5 million to a shell group in North Carolina called the Carolina Workers Organizing Committee.

• That group paid \$1.12 million of the SEIU money to Moral Monday backer Action NC, a group registered in Charlotte and a member of the notorious Blueprint NC organization.

• Deep in the Labor Department's report for Carolina Workers Organizing

Committee is data showing Action NC used the money for "payroll services" to the tune of tens of thousands of dollars each month – totaling \$1.1 million.

UNC Board of Governors meeting

On January 26, demonstrators attempted to disrupt a UNC Board of Governors meeting. The four people arrested ended up with an assortment of charges, including resisting and obstructing an officer, disorderly conduct and assault inflicting serious injury of a law enforcement officer. Protesters represented a myriad of left-wing groups, including UNControllables, a student anarchist group; Students United for Reproductive Justice; Queer People of Color Collective; and Ignite NC.

The union link came from a News & Observer article reporting that the "demonstration had been announced in advance by a group called the Faculty Forward Network. The announcement was sent by a representative of the Service Employees International Union."

ACORN

As for the ACORN-SEIU connection, in 2009, before the supposed downfall of the liberal organizing group ACORN, Matthew Vadum, writing for the Capital Research Center, said, "ACORN was virtually indistinguishable from SEIU."

In light of these and many

more examples, the union network is a natural as the newest network in the Mapping the Left database.

To Keep Growing

Keep an eye on mappingtheleft.com for more improvements and more information.

On the way are new apps to make it easier to keep up. And the site will soon debut more networks to reveal the web of progressive groups in the state.

All this follows on the heels of the site's recent upgrade. The look is dramatically different. Even more, mappingtheleft.com has been redesigned with advanced capabilities – faster and more powerful, yet simple, searches, plus updated data and profiles and new photos. We've even added a media gallery where you will find flow charts and other images.

And whether you have used the site before or are new, the website's changes will make it easier for you to find out what liberal and progressive nonprofit groups are up to, even as we have kept the great original features of the website.

Mapping the Left will continue to combine data and on-going stories about the organizations, the people and the funders that make up the radical Left in North Carolina. ■

For more information:
mappingtheleft.com



'Free' Tuition Comes with Big Price Tag

Obama's Scheme Has Supporters, but Further Thought Shows Its Flaws

BY BOB LUEBKE

Anyone watching the higher education landscape these days can't help but note the proliferation of articles calling for free tuition. President Obama's January 2015 proposal to make the first two years of community college free spawned much of this discussion.

While the proposal stalled, it did help to ignite a nationwide discussion. Academics have weighed in. Democratic presidential candidates Sen. Bernie Sanders and former Secretary of State Hillary Clinton have offered proposals for free college and debt-free college, respectively.

So what are we to make of these proposals? Advocates claim the United States is simply not educating enough students to maintain our economy and standard of living. We need to make it easier for students to access a college education – or so the argument goes.

If you're a young person, a college student or the parent of a soon-to-be college student, free tuition might sound like a great idea. The prominence of these proposals certainly warrants a closer look.

For starters, we should examine the assumptions

the new economy? The solution, we're told, is to get more people into school and produce more college graduates.

That makes sense to some, but I'd ask: Is more higher education the only way to get an educated and skilled workforce? We also have labor shortages in fields such as computing, the skilled trades, auto mechanics and health care. Many jobs in these fields pay well but don't require four-year degrees.

Is there a shortage or merely a maldistribution of students? The sad fact is that for every student in business, engineering or preprofessional programs, there are others in less marketable areas such as art history, psychology and history. That's nothing against those fields or those who choose to study in them. But we need to ask: Will our nation be better if we keep generating graduates who have difficulty finding gainful employment?

Our society values a college degree – maybe too much. Over the last two decades, we've funneled too many young people toward four-year degrees, when the truth is that many probably would have done better elsewhere. A college education doesn't

university grads are 2.5 percent lower in 2015 than they were in 2000. The research found that the real (inflation-adjusted) hourly wages of recent college grads in 2015 was \$17.94, or just over \$37,000 a year. In

2000, the average hourly rate was \$18.41.

A free tuition proposal would make more sense if there was a great demand for certain fields and college access was a significant problem. But it's not. Data reveal the bigger problem is that many students don't finish college. Only about 55 percent of students graduate six years after starting. The problem is not access but completion.

Why do people drop out of college? For the most part, money is not the problem. It's usually factors like family issues or transportation.

The Obama program is targeted at community college students, a population where only 21 percent of students earn an associate's degree within

environment and may end up dropping out anyway.

Again, let's talk about the president's proposal. The cost of the Obama proposal is supposedly \$6 billion a year. With a budget deficit of

"Yes, free college tuition may sound like a dream to some. For most others, it's a nightmare."

\$742 billion and \$18 trillion in national debt, Americans should ask: Can we really afford to pay for another program that would in all likelihood quickly become another entitlement?

Seventy-five percent of costs would be borne by the federal government; the states would pay the remainder, about \$1.5 billion. You can be sure those costs would only grow. Where states would find the money is a good question.

The United States provides billions in student need-based financial aid to eligible low- and middle-income students. The administration's free college proposal would not only reduce the costs of education for many who already qualify for a free or lower-cost education, it would also provide free education for students whose families have the means to pay for part or all of a college education.

In short, working-class families will be forced to subsidize college degrees for rich kids.

There is more than one way to position America to be able to compete in a global economy. We must realize many of the problems we seek to redress in higher education are rooted in K-12 education. Substantive school reform and expanding school choice are two proven and less expensive efforts to address these concerns and improve the pool of quality graduates.

Unfortunately, the loudest voices in this conversation are advocates for free college tuition. That option can be accomplished in one of two ways. If private institutions, many of which have billion-dollar endowments, chose to provide a tuition-free education, it's their prerogative to spend dollars as they see

fit. However, if people want to provide a similar benefit at public universities, the federal government would be the only entity large enough to administer a free college program.

If we're contemplating that thought, let's remember two things. First, there is no mention of education or higher education in the U.S. Constitution.

Second, the expansion of federal control across all areas of society has fueled ever-rising costs and resulted in a loss of freedom for institutions and the individual. The track record of federal involvement in education is especially disappointing.

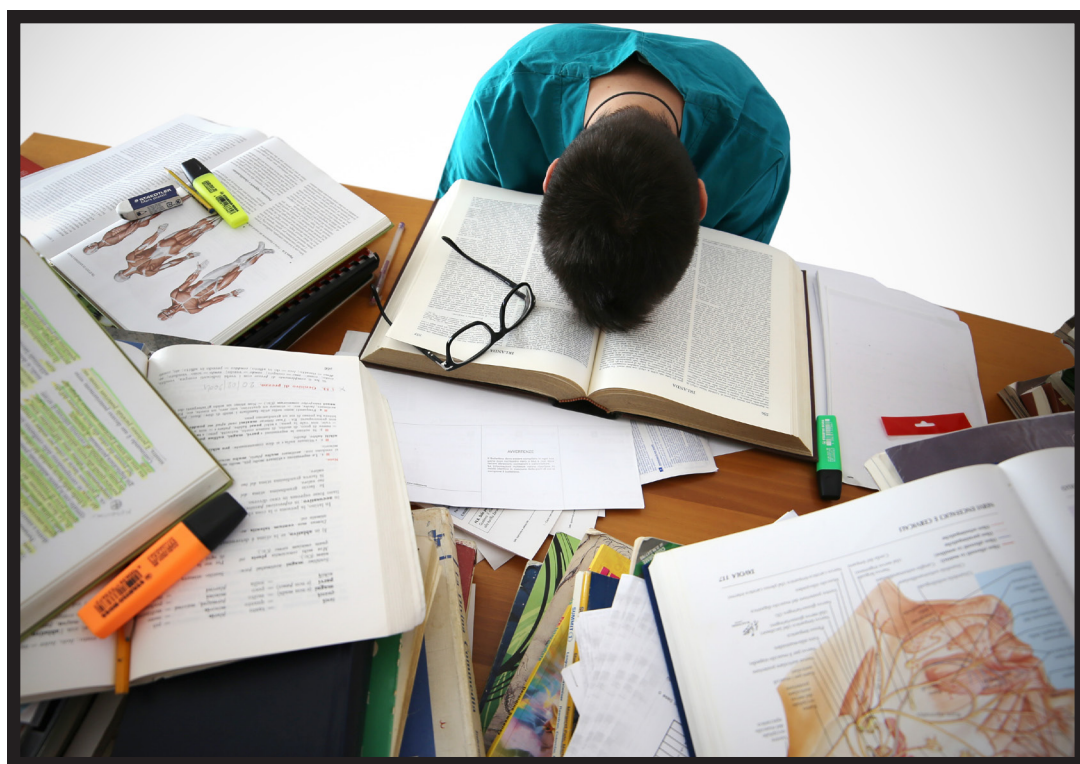
Decades ago, the federal government's interest in universities was limited to research. Then came the GI Bill, student aid and Title IX. The federal government's burgeoning role in research, student aid, diversity, health care and efforts to protect against discrimination. These efforts have spawned an ever-growing bureaucracy of middle managers.

The changes have added tremendously to the cost of higher education, reduced the ability of institutions to respond to changing conditions, and worked to homogenize colleges and universities that were once the envy of the world.

Let's also remember that the one who pays the bill also calls the tune. Colleges and students lose freedom when the federal government intrudes into campus life.

Yes, free college tuition may sound like a dream to some. For most others, it's a nightmare. Calling something free doesn't make it free. Nothing in life is free. It's simply a matter of who pays the costs. Free college tuition plans merely shift the costs of education from one group of taxpayers to all taxpayers.

The proposals for free college are poorly targeted, too expensive, deliver too little and take away institutional and individual freedoms. It's time to realize free college tuition is too expensive for North Carolina and our nation. ■



underlying this proposal. Some elements of the current discussion defy logic. If something is valuable, shouldn't we be willing to pay for it? So how can we say it has value, yet seek to give it away?

And what about the notion the United States does not have enough educated and skilled people to fill all the positions of

always translate into social or economic mobility. We tend to overlook the other paths to success, such as starting your own business or becoming an apprentice.

Statistics undercut the idea college is a sure pathway to a good-paying job and prosperity. According to the Economic Policy Institute, wages for

three years and only one in five earn an associate's degree and go on to earn a bachelor's degree within six years.

The upshot: Providing free tuition to institutions that graduate a little over 50 percent of their students does not make economic sense. It would likely attract more students who are ill-suited for the college

Scandal

School Chief's Pension Bounty Catches Johnston County Officials by Surprise

BY BOB LUEBKE

Johnston County may be losing school Superintendent Ed Croom to retirement, but that doesn't mean the county will stop paying him.

The 50-year-old Croom has been superintendent of Johnston County Schools for seven years. Prior to that, he had been a teacher and an administrator for 21 years – almost all of those spent in Johnston County.

Croom announced in October that he would be retiring March 1, 2016.

In a series of investigative reports, the News & Observer reported that because of changes in the pension laws, Johnston County – not the state retirement system – would be responsible for paying Croom \$520,000 in pension costs.

The benefits would be that high since Croom is only 50 and the amount would be paid out over a longer period of time than if he had retired at rather a traditional retirement age.

In 2014, Croom's annual pay was \$256,602. Pensions are usually calculated based on the average of an employee's four highest consecutive years of employment. If Croom averaged \$250,000 for his last four years of employment, his state pension would be about \$137,000 with 30 years of service.

So why is Johnston County responsible for pension costs? The change was made to stop a growing practice of highly paid state and county employees converting thousands of

dollars of perks to salary to help boost average earnings as they near retirement.

It appears Croom did the same. Croom's 2011 contract with Johnston County Schools allowed him to convert \$44,000 in perks – including a \$10,000 annuity policy, a \$15,000 annual automobile



allowance, \$3,060 toward telephone expenses, full family medical and dental insurance, a 6 percent contribution toward the state and local pension system, and the 7.65 percent contribution toward Social Security.

In 2013, the Johnston County Board of Education gave Croom a contract extension that would result in an increase in compensation "to reflect the changes in the retirement law and amendments thereto as set out by the North Carolina General Assembly." Those changes resulted in a compensation increase of about \$25,000.

The conversion boosted Croom's salary and significantly increased the size of the pension he would receive.

It should be noted that Croom has done nothing illegal. Still, the practice of

converting perks to cash can result in states or local governments subsidizing pensions for years.

During questioning on the subject at a recent board meeting, Croom pointed to a special retirement fund that state lawmakers had established in 2013 to support

high-earning state employees whose pensions more than likely would exceed a state cap. The cap could potentially cost employees tens of thousands of dollars in annual pension payments. The fund was set up to last until January 1, 2015. However, the deadline was extended to Aug. 1, 2016. To access the fund you had to retire by that date.

Hoping to help resolve the problem of spiking pension costs, the legislature passed a bill that created the special fund and also made local agencies responsible for the costs of the pension spiking. As surprising as it sounds, it appears that none of the education or county officials in Johnston County were aware of the changes.

Dorothy Johnson, vice chairman of the Johnston County School Board, said

recently the pension cost had not been discussed by the board. Johnson also said that prior to that point she had not heard that the county would be responsible for covering the costs of Croom's pension.

School board member Donna White said she didn't know about the "anti-spiking" law until this year. White also said the board had given Croom the same contract and benefits they had given previous superintendents.

Jimmy Lawrence, an attorney for the school board, went so far as to say state officials had not provided a final determination of how much the county would have to pay toward Croom's pension.

So what to make of all this? Legislation changing responsibility for which government entity pays pension costs has "important" written all over it. How that information did not make it to relevant parties is beyond understanding. Clearly someone wasn't doing their job.

Croom has insisted that the retirement legislation drove his decision to retire and that if he continued to work he would probably lose \$250,000 over the next 10 years because of bad laws. Croom also said the law that places liability on local school districts should be changed.

A few changes should be made to correct this ugly story, but that's not one of them.

Two changes might prove helpful. First, it's clear Croom boosted his pension by converting perks to income. That has to stop.

Second, states should limit pension payouts to the amount employees pay into the system. This requirement would limit the financial damage caused by pay spikes.

And last, I believe counties should continue to pay the pension costs of individuals who spike their salaries. Johnston County officials may not have known about the law, but someone clearly should have.

It may be an expensive lesson for Johnston County, but it serves as a deterrent to 99 other counties not to do the same.

Shifting pension costs back to the state would give counties and local government no incentive to hold down the costs. People don't want to stick people they know with a giant bill. They have no compunction about sticking a big bill onto people they don't.

Five hundred and twenty thousand dollars is a lot of money for the county to pay. But it's a lot less than the costs of not doing so. ■

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