The South Carolina Policy Council, as you know, is a nonprofit organization. We don't exist to make a profit; we exist to change minds. Or, to be more exact, we exist to identify the barriers to personal and economic freedom – and empower citizens to eliminate them.

Functioning as a nonprofit organization has its own special problems, however. A for-profit company can look at its financial books and tell if it’s succeeding or not. Figuring out whether we’re succeeding can be a little more complicated. How do you measure the level of impact you’re having on Statehouse debates? How do you quantify the degree to which you’re beating the arguments that propped up the old government-centered system for so long?

It’s not easy, and I meet with SCPC staff regularly to get a sense of how much progress we’re making on the issues and problems you and I care about most. As far as I can tell, a nonprofit organization can fall into one of two traps:

On one hand, it can produce great material – solid research, relevant commentary, incisive analysis – but make no difference in the real world of government and laws. That’s been the case with too many national organizations on the conservative side, and although it’s finally starting to change, there’s a long way to go.

On the other hand, a nonprofit organization can do a fine job of advertising itself but have essentially nothing to say. In that case, everybody knows about the organization – they know its name and its personalities – but nobody’s influenced by it. That, too, has happened to a fair number of well-meaning “pro-free market” organizations. I won’t claim that the Policy Council has always struck the right balance, but I can promise you this: We hold ourselves to a tough standard.

Right now we have some great pieces on our websites – both our policy site (scpolicycouncil.org) and our investigative news site, The Nerve (thenerve.org). One piece, for example, examines the weak points of the state’s freedom of information law – most people don’t know that state agencies don’t actually have to comply with freedom of information requests at all, and moreover state lawmakers have specifically exempted themselves from the law. Whether and to what degree we can make that analysis part of the upcoming debate over our freedom of information law (a bill to reform the law was recently filed in the House) remains an open question. Much depends on what engaged citizens do with our analysis, but that all depends on the quality and messaging of our work.

That’s just one small instance of the larger question we face every day: How do we use our research to achieve maximum impact on Statehouse debates?

Once again, thank you. Thank you for helping make our organization possible, and for caring enough about South Carolina to engage in this fight.

Ashley Landess
Quotable

“How it’s being defined would risk everything from the garden club newsletter endorsing the president’s nephew for city council to fliers passed out by the homeowners association.”
–SCPC President Ashley Landess, quoted in the Charleston Post and Courier, March 14, 2017, on a bill to regulate political speech outside the sphere of campaigns.

“It wouldn’t solve our road problems overnight, but direct accountability has a funny way of ensuring that problems get dealt with – and fast.”
–SCPC policy analyst Hannah Hill writing in the Hilton Head Island Packet, Feb. 10, 2017

“While South Carolina is in some respects a pro-business state, it's not a pro-market state. In a pro-market state, government officials – politicians, regulators – let firms compete against each other without favors or barriers to any.”
–SCPC policy analyst Duncan Taylor, writing in the Greenville News, Feb. 28, 2017

“Let me get back to you on that.”
–Rep. Brian White, chairman of House Ways & Means, when asked about the state’s debt if this year’s bond bill were to pass

“House Republicans again delivered a budget package that reigns [sic] in government spending.”
–Rep. Garry Simrill, House majority leader, on the House’s $27.3 billion budget that cuts virtually nothing and increases almost every agency’s funding

How Free is Information in South Carolina?

In March, the Policy Council published what we called an “experiment” to find out just how effective South Carolina’s freedom of information law is. That’s the law requiring government and government-funded entities to make their documents available to any citizen who requests to see them. The law includes exceptions, of course (personal information and the like), but every federal, state, and local government agency is supposed to make its documents available to the public – journalists as well as ordinary citizens.

In South Carolina, however, some agencies just don’t comply. On top of that, state lawmakers have written into the law a fairly broad exemption for themselves.

So as an experiment, we sent FOIA requests to eleven state agencies requesting simple information. The results? Some agencies complied, some replied claiming that they would but never did, and some just ignored us – in violation of the law. Read the full study by going to our homepage, scpolicycouncil.org.

Several newspapers, including the Greenwood Index Journal and the Charleston Post and Courier, ran lengthy editorials on our study. “Over the years,” wrote the P&C, “legislators have failed to approve initiatives to make it easier and less expensive for the public to have access to public information. This session, some stalwart elected officials are trying again. Let’s hope that lawmakers won’t tolerate scofflaws, and that they’ll get on board with efforts to strengthen the FOIA and enforce it.”
‘Alliance’ Would Benefit Handsomely from Tax Hike

By ROBERT MEYEROWITZ

Since 2014, at least eight members of a nonprofit pushing for an increase in the state’s gas tax collectively have received more than $451 million from the state Department of Transportation, records show. The money was paid to contractors who are members of the South Carolina Alliance to Fix Our Roads (SCFOR), in fiscal years 2015 and 2016, according to a review of comptroller general records:

- Sloan Construction Co. – $78.35 million
- Palmetto Paving Corp. – $77.71 million
- C.R. Jackson – $75.14 million
- The Lane Construction Corp. – $61.67 million
- Zachry Construction – $57.9 million
- Banks Construction Co. – $37 million
- Ashmore Brothers – $35.9 million
- Sanders Brothers Construction – $22 million
- Granite Contracting – $11.6 million

The payments are nearly a quarter of all expenditures, approximately $2 billion, during that time by DOT, including to utilities, counties, and other government entities.

(In fiscal year 2015, Palmetto Paving was the fifth-highest-paid vendor across all state agencies. In fiscal year 2016, Sloan Construction was the sixth-highest paid vendor across all state agencies, followed in seventh place by Palmetto Paving.)

Reid Banks, president and CEO of Banks Construction, a Charleston-based company that specializes in paving and grading, is also a member of the legislatively controlled Joint Transportation Review Committee, which nominates candidates to the DOT Commission. The commission approves contracts for large road projects. Banks formerly served on the SCFOR board of directors, a status conveyed by a level of paid dues.

SCFOR, along with an ad hoc “Road Coalition,” have been in the news lately as they’ve pushed the House to pass a road funding bill that would raise the state fuels tax by 10 cents over the next five years. An estimated $600 million derived from the tax increase would be spent by DOT on road construction. The bill could be up for a vote in the House this week. (Update: It later passed the House on a 97-18 vote).

The Road Coalition, which has no dues or membership or positions, periodically assembles to press for more spending on roads.

SCFOR, a 501(c)(4) nonprofit, which was begun in 1981 under another name, works steadily on the issue. It’s been broadening its membership since 2012, says vice president and registered lobbyist Jordan Marsh. SCFOR still has many of the biggest road firms, but, Marsh told The Nerve, “It’s not just a bunch of contractors sitting around a room trying to decide what we’re going to push for.”

Will there always be an SCFOR? How much funding would be enough for its members? “The goal would be to pass significant legislation, with dedicated funding, that would basically work ourselves out of a job,” Marsh said.

[Editor’s note: A longer version of this story ran on The Nerve on March 1, 2017, and was reprinted in several regional newspapers.]
SAVE THE DATE...

SCPC is participating in Midlands Gives May 2, 2017!

In just a few months, South Carolinians across the state have an opportunity to promote limited government and the power of private philanthropy.

For a donation as low as $20, you can help SCPC win thousands of dollars in donations to support our educational research and initiatives through Midlands Gives, a program of the Central Carolina Community Foundation.

Midlands Gives is a 24-hour online giving event that raises money and awareness for local nonprofits in 11 Midlands counties. SCPC is proud to be participating again this year! Last year, SCPC members were more generous than we anticipated, and we are excited to see our success this year on Tuesday, May 2, 2017.

And this year, starting April 18th, you are able to pre-schedule your gifts to run on May 2nd! Go to midlandsgives.org/scpolicycouncil to learn more and to pre-schedule your donation!

So save the date and set your alarm for May 2, 2017!

For more information, please visit MidlandsGives.org.

On our Websites

Influential Counties Get the Big Road Projects

It’s what you always suspected: to get road money, counties need the right politicians. Here’s proof. Go to: thenerve.org/map

House Chipping Away at Roll Call?

Some House members would rather you didn’t see their votes on the state budget. Go to: bit.ly/2lZufJM

Just One Problem with the Pension Reform Bill

Lawmakers are hyping a bill supposedly reforming the dangerously overextended state pension system. But take a look at the details. Go to: bit.ly/2lmuaAl
The Return of ‘Competitive Grants’?

That’s a fancy term for pork by committee.

Buried in this year’s state budget bill was a proviso establishing a program that may sound familiar. The program is the Competitive Grants Review Committee – a committee that doles out money for special “community”-oriented projects around the state. Gov. Mark Sanford famously termed the program a “legislative slush fund” because the grant allocations often looked indistinguishable from old-fashioned pork. Lawmakers were finally pressured into killing the program in 2009 when state funds dried up as a result of the recession.

The stated purpose of the program is to award “community grants that will benefit the citizens of South Carolina to political subdivisions and nonprofit organizations.” As with most other initiatives with similar aims, the program would be another means by which projects would receive money from the legislature – but outside of the standard budget process. The program’s Review Committee would have five members, appointed by the usual suspects: president pro tempore of the Senate, the speaker of the House, the chairman of Senate Finance, and the chairman of House Ways and Means. (Of note, Senator Hugh Leatherman, Senate president pro tem and Finance chairman, would appoint two fifths of this committee.)

Once the members of the committee are selected, they’d be tasked with meeting, developing guidelines for grant applications, and judging potential projects. The members would serve two-year terms, and be required to meet at least twice a year to review grant applications.

In effect, this budget proviso would create yet another avenue through which legislative leaders can funnel money to their friends and reward their allies. Of course, they can already do that – indeed they do it all the time, through the annual appropriations act – so it’s not clear why they need another vehicle.

A realistic observer could be forgiven for thinking legislative leaders simply want a more innocuous-sounding mechanism by which to deliver pork to their cronies.

[Editor’s note: After SCPC published a longer version of the analysis above, Gov. Henry McMaster announced that he would veto the program, and the measure was deleted from the state budget. Of course, these kinds of provisos have a way of getting readmitted when no one’s looking – but we’re keeping an eye on it.]
Congratulations to *The Nerve* for winning Third Place for News Reporting at the South Carolina Press Association Awards ceremony earlier this year. The story – Ron Aiken’s “Taxpayers Foot $500K Bill for Penny Tax Group’s Coffee, Cars, Cleaning” – revealed that Richland County’s scheme to raise the sales tax wasn’t all about infrastructure. If you haven’t read Ron’s story, it’s worth a look – especially if your local government is considering a “penny tax” scheme. Just go to thenerve.org/pennytax. Ron also won First Place in the category of Sports Reporting. Does *The Nerve* cover sports? No, but we do cover state agencies, and this story – “Spurrier Still Profiting from Under Armour Contract” – shined light on the high-dollar world of sports contracts at South Carolina’s state universities. That brings the number of Press Association awards won by *The Nerve* to eleven since we began in 2010. Not bad! 

Clockwise starting with top left: Erskine College political science students visit the Policy Council; SCPC President Ashley Landess speaks to the Greenville Tea Party; Landess addresses a Senate subcommittee on a donor disclosure law; Landess appears on Carolina Business Review, a public television current affairs program.
With a small team of researchers constantly plowing through the state budget, the state law code, and the state code of regulations, we’ve been channeling their findings into the opinion pages of newspapers around the state. In recent weeks you may have seen Duncan Taylor on why South Carolina isn’t a “low tax state” in the Greenville News, Hannah Hill on accountability at the Department of Transportation in the Hilton Head Island Packet, and Phillip Cease on lawmakers neglecting to read their own bills in the Charleston Post and Courier. Our team’s op-eds have also run in the Lancaster News, the Savannah Morning News, the Georgetown Coastal Observer, the Sun News, and the Orangeburg Times & Democrat. So open your daily paper – you just may spot one of our researchers there!