

THE ROBESONIAN

NC prospering despite Cooper

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Voters tend to credit the governor for a state's strong economy and fiscal health. Governors tend to take the blame when the news isn't so good.

This focus on the state's most high-profile government official shouldn't surprise anyone. But two national reports issued this month should lead us to question popular assumptions about the governor's leading role. The reports' contrasting assessments of North Carolina deserve closer scrutiny.

First, the good news. The free-market Mercatus Center at George Mason University now ranks the Tar Heel State No. 9 in the country for its fiscal health. As Lindsay Marchello reported in *Carolina Journal*, that overall top-10 ranking includes ranks of No. 2 for budget solvency and No. 8 for long-term solvency. North Carolina fares slightly worse for trust-fund (No. 14), service-level (No. 16), and cash (No. 23) solvency.

The overall ranking attracted attention from Senate leader Phil Berger, R-Rockingham, a chief architect of state government's fiscal policy since 2011. "Under Republican leadership in the legislature, North Carolina has climbed in the Mercatus rankings from 27th to the top 10," Berger's office said in a news release.

"The Republican-led General Assembly has balanced the budget, rebuilt the rainy-day fund, invested record-breaking amounts in public education, and produced a pro-business environment that has created hundreds of thousands of jobs — all while cutting taxes," Berger said in the statement "Growth in North Carolina's [gross domestic product], employment, and population all outpace the national and regional averages."

For the last two years, that General Assembly has worked with Democrat Roy Cooper in the executive mansion. One might expect that Cooper could take some credit for Mercatus' recent kudos.

Not so fast. A report card issued on the same day as the Mercatus Center ranking offers a much different assessment of Cooper's performance as fiscal steward.

The libertarian Cato Institute assigns Cooper an F for his fiscal policies. Yep. The governor of the state with the ninth-best fiscal status earns a failing grade for his fiscal policies.

Lest you think the Cato crowd consists of particularly harsh graders, consider the following: Only one other Southern governor, John Bel Edwards of Louisiana, earns an F. Just eight governors nationwide earn that dubious distinction.

Among our neighbors, Georgia's Nathan Deal gets a B and Tennessee's Bill Haslam a D. Those who especially relish competition with the "other" Carolina might cringe when they see an A grade for Henry McMaster of South Carolina. McMaster is one of just five governors nationwide to secure the top letter grade.

How does a governor in a state with so much recent economic success flunk Cato's test?

"Cooper scored poorly on both spending and taxes," according to Cato's report. It notes the governor's 6.5 percent proposed state government spending increase for 2019. The report also explains that the state enacted budgets with smaller spending increases only after lawmakers voted to override Cooper's vetoes.

"On taxes, Cooper has tried to block efforts by the legislature to make pro-growth reforms," Cato researchers add. They cite his opposition to legislated changes that "will cut taxes by more than \$900 million annually." The Cato report assigns Cooper a simple motive. "He wanted higher revenues to fund a spending increase."

"He's only been in office just a bit less than two years, but, so far, he's going in the wrong direction, it seems to me," report author Chris Edwards told Carolina Journal Radio. "He's pushed for substantial increases in the state budget, and he's blocked tax reductions."

Contrast Cooper with his South Carolina counterpart. "McMaster is off to a fiscally conservative start as governor by offering a restrained budget this year, supporting pension reforms, vetoing tax increases, and proposing income tax reforms," according to the Cato report.

While Cooper has stamped his veto on GOP budget bills that spent money more frugally than he wished, "McMaster vetoed a transportation bill that raised gas taxes by 12 cents per gallon and jacked up vehicle fees." The S.C. legislature overrode McMaster's veto, but the Cato report credits him nonetheless for his efforts.

Cooper and McMaster. Two governors with different fiscal priorities. Two governors with polar opposite grades on Cato's report card.

One of them leads the state with the third-best fiscal health ranking in the Southeast and the ninth-best ranking among the nation's 50 states. The fact that Roy Cooper, not Henry McMaster, enjoys that honor should remind us that there's much more to a state's fiscal health than the man or woman who sits behind the governor's desk.