



Troy's Koch Funded Johnson Center Steers Away from 'Political Activism'

BY MIKE CASON, AL.COM

Troy University has ordered changes at its Manuel H. Johnson Center for Political Economy, steering the center's professors away from "political activism," according to a memo to university trustees.

The move comes after comments made by a Johnson Center economics professor at a conference were recorded and publicized by a group opposed to the Charles Koch Foundation's involvement in higher education. The Johnson Center is partly funded by the Koch Foundation.

An email from Chancellor Jack Hawkins' office to Troy University trustees on Thursday calls for a "refocus" of the Johnson Center faculty to concentrate solely on teaching, academic research and service.

The memo announces a 90-day moratorium on public policy pronouncements, opinion writing "or any other activities that can be construed as political activism."

The appointment of Johnson Center economics professor George Crowley as chair of Troy's Department of Economics and Finance was cancelled, the memo says. It was Crowley whose comments were recorded and publicized by a group called "UnKoch My Campus." The group maintains that the Koch Foundation promotes its own interests through university programs like the Johnson Center.

Ralph Wilson, a researcher for UnKoch My Campus and a Troy alumnus, said the comments by Crowley support that assertion. "Our concern foremost is basically that private donors are able to violate academic freedom," Wilson said.

The Koch Foundation, which gives to programs at about 300 universities,

maintains that it promotes academic freedom and rigorous debate of diverse ideas. Crowley, a professor at Troy since 2011, spoke during a conference of the Association of Private Enterprise Educators in April in Las Vegas.

Crowley described how he and other professors associated with the Johnson Center had been allowed to "take over" some Troy academic programs. "We've had an administration that has kind of let us get away with a lot, as far as hiring people very rapidly and ramming through some of the curricular kind of stuff," Crowley said.

Hawkins said that's not the way things operate at Troy. "We believe in academic freedom," Hawkins said. "We believe in diversity. I think you can look at the nature of this institution and see that. We believe in fair play. But we also believe in good stewardship. We don't just turn people loose to operate at their own devices."

Crowley, in an email response to questions about his comments, said he chose his words poorly when he spoke at the conference. He said he was trying to convey his appreciation of the strong support from the administration, which he said is not found at many universities.

"Our administration was supportive of our faculty-driven curriculum design, and were instrumental in helping guide us through the approval processes—both internal to Troy and with the Alabama Commission on Higher Education—required to get our economics program established," Crowley said.

"I regret that my characterization of things being 'rammed through' or 'gotten

Crazy in Alabama

BY DAVID G. BRONNER

I am certain some friends and supporters of the RSA thought I had lost my mind when I wrote and spoke numerous times over the past five years about the real threat to your retirement from BILLIONAIRES! Reading the adjacent story – "Troy's Koch" by Mike Cason – not only shows it to be true, but it was unbelievably documented by the staff of the Johnson Center for Political Economy at Troy at a Las Vegas meeting.

We must not forget our other BILLIONAIRE – John Arnold and his foundation – that has funded Pew to the tune of \$10 million and also the Alabama Policy Institute.

You might wonder why in the world would BILLIONAIRES care about middle-class, public employee pension programs. "Follow the Money" tells you! Maryland's public pension fund pays more than \$320 million in fees each year to professional fund managers! Last year, South Carolina paid \$384 million to their fund managers!

RSA has among the lowest cost of investing in the nation and last year paid less than four basis points (.0004) of the portfolio in investment fees. Yet, RSA's investment returns for ERS and TRS ranked in the top 12% of its peer group of public pension funds even though those returns are compared **before** investment fees are subtracted. If the RSA paid Wall Street a mere one percent in investment fees, the cost would be \$330 million each and every year going to fund managers who could care less about the state of Alabama and its citizens. ●

Warning from the Alabama Securities Commission

Elder financial abuse is rising with the rapid aging of the North American population, due in part to the amount of wealth seniors have accumulated throughout their careers and their increasing isolation.

“Many in our older population are vulnerable due to social isolation and distance from family, caregivers, and other support networks,” ASC Director, Joseph Borg, said. “The days of aging in communities surrounded by generations of family members are fading into the past. We need as many eyes and ears as possible listening and watching for signs of suspect

elder financial exploitation.”

To help fight this problem, the ASC suggests watching for the following warning signs of suspicious behavior that may indicate potential elder financial exploitation:

- Has an elder moved away from existing relationships and toward new associations with other “friends” or strangers?
- Has a new person entered the elder’s life and shown an excessive interest in the elder’s finances or accounts?
- Are you unable to speak directly with the elder despite repeated attempts

at contact?

- Does the elder display unexplained excitement over a financial windfall or prize check and reluctance to discuss details?

If these sound familiar, Borg recommends contacting the Alabama Securities Commission at 1-800-222-1253. Other types of elder abuse should be reported to the Alabama Department of Human Resources’ (DHR) Adult Protective Services Adult Abuse Hotline, 1-800-458-7214 or to local authorities. ●

TROY’S KOCH FUNDED JOHNSON CENTER STEERS AWAY FROM ‘POLITICAL ACTIVISM’

(CONTINUED FROM PAGE ONE)

away with’ seems to imply something unseemly when I was essentially trying to communicate expediency.”

Hawkins also took exception to Crowley referring to Troy as “the third class university” in Alabama. Hawkins said he had communicated with Crowley about the comment and said Crowley should have used a better choice of words. “I don’t think you’ll ever hear Dr. Crowley suggest again, nor do I personally believe in my heart that it was his intent, to suggest that we were, quote, a third-tier institution,” Hawkins said.

Crowley said his statement at the conference, read in context, was not derogatory: “One of the main things we’ve had to strive for at Troy is that we’re very obviously the third class university in the state, there’s Alabama, there’s Auburn,

and there’s us.”

Crowley said he was making the point that policy discussions in Alabama tend to be dominated by the state’s “flagship schools,” Alabama and Auburn. “It was a poor choice of words to say ‘third class’ when I basically meant ‘third,’ Crowley said. “It was never meant to disparage Troy University or its students. This is a place I love and I am very proud of the work we do here.”

Johnson Center professors have published research on the Retirement Systems of Alabama, calling for reforms, including a change to defined contribution plans, like 401 (k) plans, for future employees. That has put the center at odds with the RSA’s outspoken chief executive, David Bronner, who has publicly criticized those recommendations and the Koch Center’s influence at Troy. Crowley was not involved in the RSA research, but mentioned the work of one his colleagues during his comments at the APEE conference. “Dan Smith has kind of taken it upon himself to try to bring down the state pension system ... at least in getting the conversation going there,” Crowley said at the conference.

Crowley said the first part of that comment was in jest. “My saying ‘bring down’ was an unfortunate attempt at a joke in a room full of roughly 20 people; a reference to how some have characterized Dan’s work. ... I can assure you that it is not his intention to ‘bring down’ anything, but instead to point out possible issues with

our state pension system and suggest alternatives that might better serve public employees.”

Bronner was not amused. “I don’t consider it a joke with all the garbage they’ve written since they’ve been here,” Bronner said. “That’s just somebody being caught running their mouth and documenting as we’ve said before that the Koch brothers are buying universities across the country ... to put out misleading information.”

Hawkins strongly disputes that the Koch Foundation has any undue influence at Troy. “This university will not be bought by any organization, including the Koch Foundation,” Hawkins said. Hawkins also said Crowley’s comment about RSA bothered him. “The mere suggestion that Troy University would be engaged in trying to do away with the Retirement Systems of Alabama ... that bothered me, because that would be the furthest thing from the truth.”

Hawkins said Bronner is a longtime close friend and said Bronner has “done a great job leading RSA.” Hawkins, however, said that does not discount the value of the professors’ research. He said they have the responsibility to look at all issues in state government. ...

Besides Troy, others universities that receive support from the Koch Foundation in Alabama include the University of Alabama, Birmingham-Southern, Jacksonville State, Samford, South Alabama and Tuskegee, according to the Koch Foundation website. ●

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FROM AUSTRALIA

INSIDE GOLF

AUSTRALIA'S MOST READ GOLF MAGAZINE www.insidegolf.com.au

EXPLORING ALABAMA'S ROBERT TRENT JONES TRAIL

BY MICHAEL GREEN, *INSIDE GOLF TRAVEL*

The thrill of playing to an island-green is not something you get to experience very often. Some students of golf architecture will say that's a good thing, but there is no denying the excitement of seeing one for the first time. And then having to play it.

So when I stood on the tee of the sixth hole at The Judge Course at Capitol Hill, a thought came over me: Is this place for real or have I just stepped into a golf computer game? It was an epic sight that got the knees knocking, knowing that anything less than a decent shot would see my ball find a watery grave.

It turns out this sort of epic golf is commonplace along Alabama's Robert Trent Jones Trail and I got a good look at a number of these spectacular tracks on our way to The U.S. Masters earlier this year.

The RTJ Trail (as it is usually referred to) is a collection of 26 golf courses (or 468 holes) spread across 11 locations in the southern U.S. state of Alabama that has fast become one of the state's most popular tourist attractions since opening in 1992.

But why is it such a big deal and why should you be adding it to your list of great golfing destinations?

Firstly, all 11 locations are open to anyone to play. This is a big deal in the USA where the majority of great golf is hidden behind locked gates, accessible to members

only. While each course along the trail is unique, each site is encased under the RTJ Trail banner and are incredibly affordable for this quality of golf in the U.S.

Secondly, did I mention it's epic golf?

Undoubtedly some of the golf holes I played along the RTJ Trail are the most spectacular I've ever played. Occasionally I wondered if I'd accidentally stumbled into one of those fantastical golf calendars where someone would paint golf holes onto some of the world's most dramatic settings.

Beginning our journey in New Orleans, I left Bourbon St. behind and headed straight for Cambrian Ridge; about a four hour drive out of Louisiana, briefly through the state of Mississippi and into Alabama.

Consisting of three distinct nines, I played the Shering and Canyon nines and wasn't disappointed. It's stunning golf that was exemplified just four holes into our round when the all-water carry par-3 4th had us shaking in our golf shoes....

Capitol Hill is just 15 minutes out of Montgomery; the capital of Alabama and a city steeped in American history. During the Civil War it was the capital of the Confederate States and is considered to be the birthplace of the civil rights movement. If you can drag yourself away from the golf for a while, it's well worth a look around.

The Judge is one of the most extraordinary golf courses I've ever played. It's often featured on golf simulators and computer games, and if I hadn't seen it with my own eyes I would have assumed it was something dreamed up by some golf-loving computer programmer.

The opening hole is one of the most amazing I've seen. The view of the narrowing fairway from the elevated tee is a daunting sight and it's a tense introduction to the round. . . .

The last stop on our brief tour was The Lakes and Links courses at Grand National, near the eastern border of Alabama. Both courses were in stunning condition with The Lakes course in particular, a picture postcard with 12 holes hugging Lake Saugahatchee to form some spectacular holes. The par-3's are magical and you'll need your golf brain firmly switched on to resist the urge to bite off more than you can chew at the 12th and 16th holes.

Each stop on the RTJ Trail is home to friendly staff who provide the sort of service we're not familiar with in Australia....

If you're on your way through the southern states of the USA, it's worth checking in at some of the stops along the RTJ Trail. It will be one of the most epic golf experiences you'll ever have.

Editor's Note: Full story available at www.rsa-al.gov ●

Maryland pays more than \$320 million in fees to manage pension funds. What does the state get in return?

BY JOSH HICKS, *WASHINGTON POST*

Maryland's public pension system pays more than \$320 million in fees each year to professional fund managers who tout their ability to beat the market with smart investments.

But some financial experts question whether those fees really pay off for the more than 382,000 active and former state employees who participate in the retirement plan, including teachers, state police and judges.

The state's pension portfolio is on track to fall below the program's modest goal of a 0.51 percent return on investments for fiscal 2016, which ends June 30. As of April 30, the plan had earned a mere 0.12 percent.

If the fund continues to underperform through June, it could bolster an argument that Washington, D.C.-based financial analyst Jeff Hooke has made for at least the past five years — and that several other states have recently adopted: Public pension systems should bid farewell to high-cost financial wizards and

shift more money into passively managed index funds such as those that mimic the Standard & Poor's 500-stock index.

"Their sales pitch is that they can do better than index funds — that they can beat the stock market and bond market and be less risky," Hooke said of fund managers. "You look at the facts, and they're not beating the indexes. They're not picking the right stocks and bonds, yet they're charging much more for comparable investments. . . . It's like a triumph of marketing over common sense."

Hooke said in a report this year for the conservative-leaning Maryland Public Policy Institute that fund managers don't do much for their fees besides "just copying a well-known benchmark, like the S&P 500." He noted that the state's fees have increased drastically in recent years — as Maryland shifted away from passively managed investments in the wake of the 2008 financial crisis — and that the fund's actively managed portfolio has underperformed.

Maryland pension officials say the safest bet is to diversify the state's portfolio with a mix of actively and passively managed investments. Andrew C. Palmer, chief investment officer for Maryland's State Retirement Agency, said actively managed funds can be more stable than low-fee indexes, which tend to experience dramatic dips and spikes. When investments do poorly, pension participants sometimes have to contribute more money to the system to keep it healthy.

"We try to minimize contribution volatility to the extent that we can," Palmer said.

Hooke analyzed data from 33 state pension systems that use the same fiscal year as Maryland, finding that those programs spent \$6 billion on asset-management fees in 2014 and that the 10 states with the highest fee ratios — Maryland ranked fourth — achieved lower return rates than those that spent the least....●

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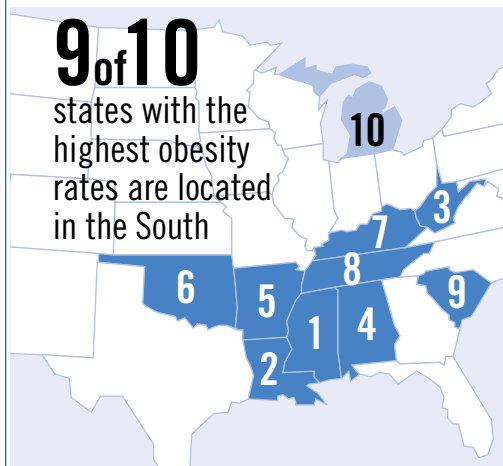
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Note: Mississippi is No. 1 with obesity rate of 35.3%
Source: 24/7 Wall St. and County Health Rankings
and Roadmaps

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with skin cancer in the USA.

Note: Sunscreen with SPF 30 blocks 97% of sun's rays
Source: American Academy of Dermatology



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