



Gov. Granholm Offers Seven Proposals That Refocus “Essential Purposes of Government”

By Michael D. LaFaive and Jack McHugh

Summary

Gov. Jennifer Granholm’s 2009 State of the State address and budget contained seven items – all recommended by Mackinac Center scholars – that trim or end non-core state government functions.

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Mackinac Center policy experts found themselves grinning and nodding during parts of Gov. Jennifer Granholm’s 2009 State of the State address and the presentation of her budget a few days later: The governor recommended seven policy proposals initially advanced by the Center.

Not surprisingly, some of the reforms might turn out to be rather less dramatic than initially suggested. Fiscally sound policy recommendations don’t always survive their crash against the protective walls surrounding programs considered sacred cows by beneficiaries and legislative patrons. It remains to be seen how many of these proposals will survive the full budget process.

Here’s the rundown on Gov. Granholm’s seven laudable proposals:

- Governor’s recommendation: End state support to the Michigan Council for Arts and Cultural Affairs.

Mackinac Center scholars have been calling for an end to state art subsidies since 1991, when Chairman of the Board D. Joseph Olson published his incisive Op-Ed “Arts Ogres’ and the Killer Bees.” Center scholars also recommended eliminating arts subsidies in three major state budget studies published in 1996, 2003 and 2004.

- Governor’s recommendation: Eliminate state fair subsidies.

Gov. Granholm argued in her State of the State Address that the fairs “are a wonderful tradition [but] the state fairs are not an essential purpose of government.” The Center has been saying precisely that since 1996, when it wrote, “[S]ponsoring fairs is not a proper function of government in a civil society.”

- Governor’s recommendation: Return control of state wetlands policy to the federal government.

Russ Harding, director of the Mackinac Center Property Rights Network and former director of the Michigan Department of Environmental Quality, first published this idea in 2005. In her State of the State Address, Gov. Granholm concurred, saying, “I will recommend returning enforcement of wetlands protections to the federal government where more staff exists to effectively safeguard our natural resources.”

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Gov. Jennifer Granholm embraced several ideas previously explored by Mackinac Center scholars during her 2009 State of the State address.

- Governor's recommendation: Cut state subsidies for university operations.

The Center's 2004 budget study observed that state subsidies had not prevented student tuition and fees from skyrocketing, and that college students – who reap the considerable direct benefits of postsecondary education – could reasonably be asked to carry the burden of paying for it. Unfortunately, this “cut” is likely to be more than filled in by federal stimulus money.

- Governor's recommendation: Cut funding in half for the MSU Agricultural Experiment Station and Cooperative Extension Program.

All three of the Center's state budget studies have recommended eliminating these programs. The experiment station conducts agricultural research, such as how to grow “the perfect Poinsettia” — work that the private agribusiness industry should finance. The cooperative extension service offers classes to Michigan residents on such topics as sewing and pottery. Like state fairs, these are not proper functions of state government. Unfortunately, the state House has already voted to junk the savings and add another \$3.5 million to the program — courtesy of temporary federal stimulus dollars.

- Governor's recommendation: Eliminate the Office of Drug Control Policy and downsize the Office of Services to the Aging.

Reducing narcotics use and providing specialized at-home care for the aged are laudable goals, but both of these state offices crowd out private efforts to solve societal problems. The Mackinac Center recommended eliminating both programs in its 2003 and 2004 budget studies. “Small print” in the governor's proposal allows some OSA activities to continue and transfers some of the ODCP's activities to another area. However, her general priorities represent movement in the right direction.

- Governor's recommendation: Eliminate the Department of History, Arts and Libraries.

This recommendation is a slight variation on the Center's call in the 2003 and 2004 budget studies to reduce the department's activities, which are not essential functions of government. The governor's proposal technically eliminates the department, but does so by redistributing most of its activities to other state departments, so the savings will be relatively small.

The governor's proposals represent only a first and very small step in balancing the state budget and setting Michigan on a road to prosperity. The question will be whether legislators, desiring to protect pet projects or unwilling to do heavy lifting, will take the state two steps back.

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