

Deficit this big no time for business as usual

How Gov.-elect Jennifer Granholm handles Michigan's enormous looming deficit will go a long way to determine her success or failure over the next four years.

The numbers are truly daunting. Even after the cuts put through by current Gov. John Engler to get this fiscal year's budget balanced, the best estimate is that the deficit for the fiscal year beginning next October is as much as \$1.8 billion. That's 20 percent of the \$9 billion in total state discretionary spending!

Granholm is talking tough, emphasizing cutting the budget rather than increasing taxes. There's fat in any organization; there is fat in government, she told the *Detroit Free Press* in an interview last week. "I think of Lee Iacocca, who used to say if he can't find 5 percent to cut in any budget in a given year, then they

should move him on."

In last week's column, I argued the terrible budget situation provided the Granholm administration with a great opportunity to conduct a fundamental and sweeping review of the operations and costs of state government. For instance:

- **Fix out of control health care costs.** Medicaid, a rigid and rule-driven federally defined benefit plan, now consumes around one-quarter of the state budget. Long-term fixes will have to come from Washington. But in the short run, Michigan could curb costs by promoting home- and community-based care instead of expensive hospitals and eliminating coverage for optional services. Granholm is already talking about getting Midwestern states together to save money by buying prescription drugs in large quantities to sell through Medicare.

- **Sell unneeded capital assets.** The state already plans on closing the Northville Psychiatric Hospital and selling off the buildings and land. A thorough inventory of state-owned buildings and property would turn up all kinds of unneeded and overlooked capital assets that could be turned into cash. For example, the state owns literally hundreds of thousands of acres of forest land. Some of this land could be sold, subject to conservation easements requiring public access, for controlled timbering, thereby providing jobs in the forest industry and putting the land back on local tax rolls.

- **Use technology to cut costs.** The private sector is already experiencing remarkable productivity increases and cost savings by use of information technology. It's time to use these

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tools in government. State attempts to utilize computers and IT have been hamstrung for years by out of date and inflexible purchasing rules; a far-reaching review is in order.

- **Fund outcomes; cut poorly performing programs.** For many years, the bane of budget cutting has been that various programs are started and funded but never killed when they don't pan out. How come? But by the time people start looking carefully at the actual outcomes and their costs, the various interests that benefit from the expenditure rally round and lobby against cuts. I've always thought that a simple solution would be to sunset — a nice word meaning "kill" — any government program after it runs for 20 years, regardless of outcome or constituency cries. If a program is really worthwhile, a majority can always be found to re-introduce it with contemporary improvements.

- **Streamline education.** In some states, only half of every dollar appropriated for education ever makes it into the classroom. Why? There are lots of reasons, but one is the very high per-pupil costs run up by small school districts to provide their own bus services, IT, food and security programs and financial record keeping. Frankly, I doubt if the political will exists to consolidate some of Michigan's small and inefficient school districts. But significant economies of scale could be achieved by consolidating these support functions into regional service centers serving a number of districts.

Some will shrink from this list as too radical. But when you're facing a budget deficit as serious as this, it's no time for business as usual.

Phil Power is the chairman of the board of the company that owns this newspaper. He would be pleased to get your reactions to this column either at (734) 953-2047 or at ppower@homecomm.net.



Joni Hubred

Tell us your favorite story from the past year

As we head toward the home stretch in 2002, I can't help but look back on what has been an interesting year.

I can't help look back, because I have to go through all of our past news stories to come up with the retrospective we always publish at the end of the year. Some I'd forgotten, although they seemed really important at the time.

For instance, in January, Gov. John Engler proposed a \$200 per pupil increase in state funding for schools. For a few weeks there, almost everybody loved him. Remember?

Farmington Public School officials came up with a unique boundary plan that paired up "companion" schools, to help keep more kids in their home-area elementary buildings. I hope we editorialized in support of that. It still sounds like a great idea.

Or how about the guy from Westland who was charged with assault after he KO'd a Farmington-based photographer for taking sensual pictures of his wife? You don't see stories like that every day.

In Farmington Hills, maybe. I'd almost forgotten that the City of Farmington Hills put up \$250,000 for a five-year contract that guarantees space at the new Farmington Players Barn for city programs and events. I got a sneak peek at the Barn during an open house; looks like it'll be worth every penny spent.

San Marino golf course's nine-hole expansion broke ground this year, along with construction of condo units on the Eleven Pines property at 11 Mile and Halsted. While that project's mostly off the public plate, the planned unit development in the Golden Triangle at 14 Mile/Orchard

Lake/Northwestern has eased right into that available council "public input" space.

The laptop bandit ended his career this year, thanks to some fine detective work by Farmington Hills Police Sgt. Wayne Beerbower. Every time I saw another report on our police blotter, I had to wonder if they'd ever catch up with him.

And I'd have completely forgotten about that case if it hadn't been leading through our 2002 newspapers. That made me wonder what our readers remember, so I thought I'd ask.

In a minute.

First, here's a list of the stories I'd love to forget, but can't:

- The oddest political season in my recollection, during which candidates switched races in mid-stream, dropped out, walked out and talked out. If candidates had held one more House race press conference, someone in our

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office would have staged a revolt.

- The best and worst examples of the public process in government; the former exemplified by Clarenceville School District's open meetings that allowed the public to meet and question new Superintendent Cheryl Leach before she was hired; the latter demonstrated by the City of Farmington's clandestine approach to replacing retiring city councilman Bill Hartstock. No, folks, we haven't quite gotten over that one yet.

- The tragic deaths of four McKennett family members in a Kentucky car accident, as they drove home from a Florida vacation, will stay with me a long time. It's hard to understand the utter senselessness and the devastating loss for their remaining family members, including a 17-year-old daughter. But it was wonderful to see friends and the community rally behind them.

- One of my favorite stories of the year was "Everybody's Reading: Pay It Forward." We had the opportunity to publish a few anecdotes shared by those who had experienced a kindness done with no request for repayment. The idea created in the book by Trevor McKinnon is that instead of paying a favor back, people would pay it forward — doing something for someone they couldn't do for themselves. In case you didn't catch this story the first time around, there's always time to catch up. Read the book. Live the idea.

Now we'd like to know which stories you enjoyed most, which you remember most — or even which stories you think we should have covered and didn't. Hey, we can take the heat. Send your submissions via any of the avenues listed below by Dec. 26, and we'll publish them in our Dec. 29 or Jan. 2 editions, as space is available.

Joni Hubred is editor of the Farmington Observer. She welcomes your comments in person or by mail at 3341 Grand River, Farmington, MI 48335; by phone, (248) 477-5450; by FAX, (248) 477-9722; or via e-mail, jhubred@oe.homecomm.net.



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