

CORE GOVERNING PRINCIPLES

What is the role of government?

Lynn Harsh
Chief Executive Officer
Evergreen Freedom Foundation

The issue of determining the core principles and proper functions of government has been hotly debated since the United States was a mere glimmer in its Founders' eyes. Winners of the original debate believed government existed to bring cohesiveness, legitimacy and protection to a nation declaring itself sovereign.

The United States' Founders were clearly repulsed by a government that would take its citizens' wealth, exploit its people, and send its youth into wars birthed from ego and vice. They knew a free nation needed a strong government, but they were stern in their warnings about limiting federal government's reach and power.

When the United States' Constitution was adopted, it listed 22 particular federal powers, but it enumerated more than 70 limitations—areas where the federal government was not to preside.

Federal government was established to provide protection from foreign invasion and ensure domestic peace, justice under the law, necessary and clearly defined public works, and foreign and federal relations. States and local governments were to preside over civil and domestic affairs and were to provide for the administration of laws according to their own governing constitutions. Forced uniformity among the states was never envisioned as desirable or necessary.

These principles first hammered out in America's youth are still relevant today, though government at both the federal and state levels has grown far beyond its original confines.

Still, in America or anywhere else in the world, good public policy can only be developed after government's core principles and functions have been determined. Answering the question, "What is the role of government?" is a legitimate debate for citizens and political parties in a free society.

Great thinkers, from antiquity to modern times, have always argued about the necessary role of government. In practical terms, government cannot be benign, benevolent, and omnipotent. It is designed and run by imperfect mortals, after all. Its power, therefore, must be carefully constrained to predetermined legal confines. Otherwise, individual liberty—the powerhouse that drives cultural, civic and economic freedom—is left without protection.

Take property rights, for example. A strong and vital society depends on individuals who have the freedom to own property with which they can create value to exchange for life's necessities and desires. Property encompasses more than land and houses: It is our time and faculties; and

how we use their value in exchange for things we need or want.

For this reason, our Founders believed, and wrote, that the right to acquire and use property was an extension of all other individual rights; and it must be protected from government interference. Why? Well, government has no money of its own. What it spends it must first take from someone through taxation and regulatory fees it levies on “property” owned by businesses and households. This is a very slippery slope. The best protection against perpetually tumbling down the slope is for citizens and their government to establish predetermined core functions for government at every level.

Once these functions are determined and established in law, government should only levy taxes and fees on its citizens to the degree it is absolutely necessary to carry out those functions.

This is not foolproof. To safeguard the inalienable rights guaranteed to individual citizens, our Founders defined government’s core functions in federal and state constitutions. The fact that politicians and judges violate these safeguards all the time doesn’t speak well for them as stewards of the public trust, and it doesn’t speak well for us, the citizens, that we put up with it.

Still, lawmakers rarely develop public policy based around their vision of government’s core functions. Worse, most of the citizens who elect these stewards of the public trust haven’t thought much about it either. It’s time we change this.

At the Evergreen Freedom Foundation (EFF), we believe that a practical way to reinvigorate good stewardship in citizens and their elected officials is to engage in vigorous debates about the role of government. In Washington State, where EFF is located, we are right in the midst of this process, and this is how it works.

ESTABLISH CORE FUNCTIONS OF GOVERNMENT

First, meaningful core functions for government must be developed. This requires time and courage. Most officials will publicly embrace the notion of developing budgets around a model of more carefully prioritized spending, but most will also vigorously oppose or undermine that model in day-to-day operations. It is difficult to develop core functions in the face of different ideological outlooks among lawmakers and obstinate “insiders” in the bureaucracy, but it can be done. The decisions made will not be static, but building budgets around an adopted list of priorities is a far more stable and efficient system than the hodgepodge structures used by most levels of government today.

When bills are passed prior to core principles being established, legislators are merely propping up or patching holes in agencies and programs that likely have fundamental design flaws. Even if agencies or programs are accidentally complying with what lawmakers would choose as their core principles, another serious problem exists when lawmakers begin the session passing bills dealing with microeconomic details. ***They can be assured of overspending.***

Our current system of building state budgets virtually guarantees an upward-spiraling budget. This is because, prior to determining how much revenue is available and what the top legislative

priorities are, attention is focused on individual programs. The early opportunity to consider the total impact of the budget against core principles is lost.

Well in advance of crunch time, political parties should bring their core principles and related programs to the table to determine agreed-upon priorities. Everything else must be negotiated. The party whose leaders have the votes and the best handle on where they want to head will win more in negotiations in the long run. What they lose this year (short run), they come back for next year...and so on.

In Washington State, for example, former Governor Locke's budget office developed 11 priorities they believed illustrated the proper functions of government. After some wrangling and modifications (though not nearly enough), the legislature adopted them. Our Foundation does not agree that some of functions listed are the state's business at all, and even if we keep their list, we would restructure some of the "how tos."

But even in our disagreement, we can find billions of dollars in savings for taxpayers. More important to us is that this decision-making process eventually puts all the cards on the table, and citizens can more easily determine what they believe their government should or should not do.

Following is the abbreviated version of the priorities adopted by our state's lawmakers, and our brief descriptions about how we think they should be changed.

1. *The state: Increase student achievement in elementary, middle and high schools.*
EFF: Guarantee all children in Washington state an equal opportunity to achieve literacy and to be prepared for higher education, work and citizenship.
2. *The state: Improve the quality and productivity of the workforce.*
EFF: Remove barriers to job retention and retraining.
3. *The state: Deliver increased value from post-secondary learning.*
EFF: Insist on increased academic value for the expenditures in post-secondary education.
4. *The state: Improve the health of Washingtonians.*
EFF: Deregulate the marketplace to allow more choices in health care quality and cost, both in the public and private sectors.
5. *The state: Improve the condition of vulnerable children and adults.*
EFF: Advance remedies for vulnerable children and adults by allowing private-sector organizations and local governments to take the lead in service delivery.
6. *The state: Improve economic vitality of businesses and individuals.*
EFF: Remove regulatory barriers to free enterprise and job creation.
7. *The state: Improve the mobility of people, goods, information and energy.*
EFF: Ensure the mobility of people, goods, information and energy.
8. *The state: Improve the safety of people and property.*
EFF: Protect each individual's right to security of life and property.
9. *The state: Improve the quality of Washington's natural resources.*
EFF: Be a responsible steward of Washington's public lands and protect private property rights.
10. *The state: Improve the cultural and recreational opportunities throughout the state.*
EFF: Make publicly held resources accessible for recreational and cultural

enrichment.

11. The state: Strengthen government's ability to achieve its results efficiently and effectively

EFF: Ensure state government is transparent, well managed, and accomplishes its priorities efficiently, economically and effectively.

A NEW WAY TO BUILD GOVERNMENT BUDGETS

Regardless of who wins the initial debate about what the priorities of government should be, sensible and practical ways exist to develop a more responsible and transparent budget.

Conventional thinking says lawmakers must adjust the current budget for inflation, add caseload increases, splice in a few new initiatives, and call it good for another legislative session. If revenue drops, the same conventional thinking allows for three budget balancing options: 1) raise taxes, 2) cut important services, or 3) a combination of both.

When budgets are built in this manner, prior to deliberative efforts to develop core governing principles, legislators become “enablers” for agencies and programs that likely have fundamental problems.

There is another way. It is a budget-building model called Priorities of Government, or POG. Under this model, all government spending is on the negotiating table, and state officials must answer the following questions:

- 1. What is the forecasted revenue for the next budget cycle?*
- 2. What are the essential services that state governments must deliver to citizens?*
- 3. How will the state measure its progress in accomplishing those goals?*
- 4. What is the most effective way to accomplish the state's goals with the money available?*

While the first three questions in the Priorities of Government budgeting process are about developing meaningful goals, the last is about using market forces and competition to deliver those goals effectively and efficiently without compromising cost and quality.

To make this process functional, each state agency must develop what it believes to be its mission, as established by law. Once this is defined, agency managers must outline the goals and activities necessary to accomplish the mission. Each of these activities should be categorized as high, medium or low priority and performance indicators and costs should be identified. The agency's budget request to the legislature should reflect those priorities and guidelines, and lawmakers should review them for compliance with legislative intent.

This is the time to have the “make or buy” debate. As lawmakers review agency goals, they should consider whether government must actually deliver the various services necessary to accomplish those goals, or whether government's duty is to simply ensure that the goals are accomplished

By following this budget process, a government “buy list” is created, thus moving the discussion away from “cuts” to outcomes being purchased. Priorities of Government budgeting provides a logical process for measuring the activities of government against desired performance outcomes

and prioritizing purchase decisions accordingly.

This budget process also greatly increases spending efficiency and economy. Of course, the different political and economic climates in every jurisdiction mean timelines for adopting such a model will vary. This is perfectly understandable, but a caution is in order: For a budget model like POG to work, it must be applied to the entire budget, not only the carefully selected, politically manageable portions.

Each department should examine all programs under its jurisdiction as they relate to the department's core principles. Functions determined not to be part of the department's core mission should be eliminated or transferred to another department, where the function *is* core.

The next step is to review each activity to determine how it can be performed better, faster and cheaper, to more efficiently provide services to the taxpayer. The manager must be willing to look at the service provided and the clients served, first to determine if government should provide the service and, if so, ask how the service can best be provided. Delivery systems might need to be changed.

We recommend that each activity be sorted into one of four categories: retain, improve, outsource, or transfer.

Retain: Many of the activities that should be retained by government have traditionally involved responsibilities where direct control is essential for public health and safety. These services often include the use of police powers, the collection and use of restricted data and the direct control of finances.

Improve: Core activities can be improved by restructuring and consolidating operations within a department, enhancing personnel effectiveness and employing the most effective technology.

Outsource: Sometimes an activity supports a department's mission, but it cannot be provided by state government on a cost-effective basis. These activities are excellent opportunities for outsourcing. Once the performance of the program is outsourced, the responsibility to the consumer for the quality, reliability and cost-effectiveness of these services remains with the department. Central records management, building and grounds maintenance, and computer operations usually fall into this category.

Transfer: Some activities do not support a department's core mission and there are no compelling public policy interests to providing them (*i.e.*, operation of a municipal golf course). These activities should be transferred to the private sector, the nonprofit sector, another level of government, another department, or discontinued.

PROVIDE FOR ACCOUNTABILITY

It is important that major items in the budget have clear and precise performance goals stated in measurable terms. This way, agencies will understand legislative expectations and legislators can hold them accountable for performance.

Another indispensable tool for lawmakers and the public are performance audits, so rarely seen in the public sector that few people really know what they are. An initiative from the people to the legislature instituted this tool recently in Washington State.

Performance audits are a valuable management tool, carefully structured around tough, nationally recognized auditing principles—principles that cannot be ignored if the best intentions of legislators and the desires of the public are to be realized. The non-negotiable defining elements, as defined by the U.S. Government Accountability Auditing Standards are:

- **Independence.** Auditors must be independent, both in fact and appearance from personal, external, and organizational impairments to independence.
- **Sufficient, competent, and relevant evidence** must be obtained. Self-assessments do not count.
- **Efficiency, economy and effectiveness** (program audits) are the three standards that define performance audits. They are a three-legged stool.
- **Comprehensive written reports** must be communicated to designated authorities in a timely fashion.
- **All performance audits should follow generally accepted government auditing standards.**

Performance audits should be welcomed not feared. They are invaluable management tools to determine what is working as intended and what is not. Furthermore, they almost always result in significant savings.

CONCLUSION

Government is not benign, but it is necessary. The only way to protect human freedom from government's enormous power is to contain it inside agreed-upon boundaries, where it can administrate its essential functions well. Whatever is agreed upon today will not remain static for tomorrow. Freedom-loving people must take their place at the discussion table and remain there, patiently, persistently and persuasively debating government's essential role.

These discussions should bear fruit at the ballot box. We will always be tempted to elect citizens who promise to pass laws to benefit us or a small group of people for a short period of time. But this is short-sighted and dangerous. Self-governance is the essential nurturing place for liberty.

In the end, reorganizing government to deliver the goods more efficiently doesn't matter much if we haven't answered the more essential question: What is the proper role of government? Countries around the globe will answer that question differently, depending on tradition, culture and who's in charge at the time. Essentially it boils down to this: Those of us who believe in human liberty should make our case whenever and wherever possible. At some point in time, opportunity is created, and we freedom-loving reformers should be on hand to seize the opportunity.