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Determining Core Functions

A lesson from history

Successful government reformers have discovered the necessity of determining what we call “core governing principles.” Core principles are determined by a person’s or a party’s understanding of the role of government. Defining core principles is the crucial first step toward responsible governing because delivering services efficiently and effectively is hardly significant unless government knows what it is supposed to deliver and why.

By way of illustration, the debate is whether to “prune and fertilize” or “pull.” Those who believe core functions of government exist wherever government can flourish and grow (meaning wherever needs are present) will only be interested in pruning and fertilizing: this usually makes a plant grow faster and look better. Others see government as a once-beautiful plant that has overgrown its boundaries (moved beyond its core functions). They are looking to pull government’s roots out of every space they have invaded, save their own. So the question is:

Do we do *more with less* by making government efficient at the tasks it currently performs and using savings to pay for new programs?

OR

Do we do *less with less* by decreasing the scope of government, streamlining programs, and returning savings to the taxpayers?

The issue of determining the core principles and functions of government has been hotly debated since our country was a mere glimmer in our Founders’ eyes.

Thomas Jefferson probably framed the debate best when he said:

Men by their constitution are naturally divided into two parties. First, those who fear and distrust the people, and wish to draw all powers from them into the hands of the higher classes. Secondly, those who identify themselves with the people, have confidence in them, cherish and consider them as the most honest and safe, although not the wise depository of the public interest.

Winners of the original debate believed government existed to bring cohesiveness, legitimacy and protection to a nation declaring itself sovereign. They were 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, but restricted government; therefore, they were stern in their warnings about limiting government’s power.

The Founders established twenty specific federal powers for the named purposes of providing protection from foreign invasion, domestic peace, justice under the law, necessary and clearly defined public works, and foreign and interstate relations. They also placed limitations on federal government through the Tenth Amendment to the Constitution, which protects states from federal intrusion beyond constitutional confines:

The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the states respec-

Delivering services efficiently and effectively is hardly significant unless government knows what it is supposed to deliver and why.

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tively, or to the people. States and local governments were to preside over civil and domestic affairs and provide for the administration of laws according to their own governing constitutions. Except for the powers precisely expressed in our U.S. Constitution, the federal government was to leave the states alone. Forced uniformity among the states was never envisioned as desirable or necessary.

These principles first hammered out in America's youth are still fresh today. Successful modern-day government reformers say these concepts have been indispensable to them when trying to determine the core functions of federal, state and local governments.

In a broad sense then, what should government do, and from what should it stay away? What essential services must government deliver to successfully fulfill its proper functions? The answers to these questions form the basis for determining the core functions of government at all levels. This is Step One for building responsible budgets.

Every state constitution, which lawmakers swear to uphold, contains language that cannot be ignored when building a framework for fleshing out core government functions. In Washington state, for starters, legislators must consider the very first Article and Section in the Constitution:

All political power is inherent in the people, and governments derive their just powers from the consent of the governed, and are established to **protect and maintain individual rights**. [emphasis added]

Getting practical— new tools

Only by carefully considering the proper role of government can legislators and governors do a good job protecting individual rights while providing essential services to taxpayers in an efficient, cost-effective man-

ner. This is not an “anti-government” philosophy; rather it is ensuring that what government is supposed to do, it will do well. Furthermore, great savings can be obtained if legislators and agencies do not spend time determining how a particular function can be performed better, faster and cheaper if it is not a core function of government.

In Washington state, Governor Locke and his fiscal team used this approach and developed what they call Priorities of Government (POG). They identified ten core functions under POG:

1. Increase student achievement in elementary, middle and high schools.
2. Improve the quality and productivity of the workforce.
3. Deliver increased value from post-secondary learning.
4. Improve the health of Washingtonians.
5. Improve the condition of vulnerable children and adults.
6. Improve economic vitality of businesses and individuals.
7. Improve the mobility of people, goods, information and energy.
8. Improve the safety of people and property.
9. Improve the quality of Washington's natural resources.
10. Improve the cultural and recreational opportunities throughout the state.

We do not agree with many of the governor's ten priorities for government: some appear to be more of a political statement than a core function of government. In fact, it would be hard to find any activity government currently does that would not fit under one of the ten priorities.

The process Locke and his budget team used to develop them, however, is a giant step in the right direction. They asked the right questions, developed a logical process to determine the answers and prioritized spending accordingly. They created a *new set of tools* that can and should be used by both political parties as a starting point for healthy discussion.

Terms are very important. For example, most of the ten priorities use the word “improve.” What does that mean and how will it be measured?

It is also important to consider whether government needs to actually deliver the services included in each priority identified, or simply ensure that the goals of the priority are accomplished. Priority three, for example, states: “Deliver increased value from post-secondary learning.” Can government really deliver this, or should it read: “Ensure increased value from post-secondary learning”?

Priority number two states: “Improve the quality and productivity of the workforce.” If this is government’s job—and we would argue it is not—wouldn’t it be moot if priorities one and three were accomplished?

What about priority number six: Is it really government’s job to improve economic vitality of businesses and individuals, or should it just provide the climate in which vitality is more likely?

Regardless of how readers of this document would answer those questions, it should be clear that using a process like POG gives legislators a legitimate place to begin debate, ratification or modification. And that’s the hard part, not just because legislators come from varying ideological persuasions, but because the state’s core functions will serve as the litmus test for the hundreds of agencies, boards, commissions and programs currently funded. If an agency or program is not advancing one of the agreed-upon core functions of government, it should be eliminated. Programs listed in agency activity indexes should be screened against these functions.

A bipartisan ratification of agreed-upon core functions should be sought within the first few weeks of budget-writing sessions. This dramatically increases the productivity of standing committee hearings because everyone knows the terms and the budget limitations.

The brass tacks

Following are examples of process, definitions and products from other states and municipalities that developed or attempted to develop core functions. In some cases, follow-through was accomplished and the results are noteworthy. For others, it was an exercise left unfinished because of political disagreement and election reversals. We are not endorsing any particular design, but are including a variety of options so policymakers can see how the process works.

Arkansas

In 1996, our Foundation worked closely with the Arkansas Murphy Commission to author a report called *The Role and Function of State Government in Arkansas*. One of the report’s opening statements read: “When government loses sight of its mission, it can lead to serious problems. Budgets can grow without constraint, workforces can become bloated, spending can rise unchecked, taxes can continually creep upward, and the quality of essential services can decline.”

With that in mind, the Murphy Commission decided the core functions of Arkansas government were:

- to ensure safety,
- to facilitate the “rule of law” and a system of justice,
- to assure proper help is provided to individuals who legitimately cannot meet their own basic human needs,
- to assure educational opportunity exists for all citizens, and
- to act as a responsible steward of public property and the environment.

California

In the fall of 1995, former Governor Pete Wilson “asked every department to examine its mission and determine its core responsibilities.” Core responsibilities were defined as “the handful of functions that represent the agency’s and department’s essential elements or fundamental reasons for being, not a list of all the functions enumerated in the statutes.”

The Governor’s Council on Information

If an agency or program is not advancing one of the agreed-upon core functions of government, it should be eliminated.

“The key is to focus on results—what needs to be done and then doing it well.”

Technology in its 1995 report stated, “Just as California’s families focus on essentials when their budgets are tight, we want our government doing only what it *should* do, not what it *might* do [emphasis added]. We do not want government to make a function more efficient if it should not be performing that function at all. The key is to focus on results—what needs to be done and then doing it well.”(p.11)

The Council went on to say, “Government in California should first review what it is doing, rigorously consider what it should be doing, and re-engineer itself to make its operations more effective—and then more efficient—using information technology to help. In other words, if a function does not need to be performed, or if it can better be performed by the private sector, then the use of information technology or other resources to make it more efficient is not an effective use of taxpayers’ funds.” (p.12)

Further, the Council recommended that “all state programs should be designed and operated to produce results—results that meet the needs of the customer for quality, and the need of the taxpayer for low cost.”

The Council also recommended that “all government programs should focus on ensuring results by relying on the most efficient and reliable way to deliver services—whether by actually providing the service or relying on the competitive private market. State agencies can only reach this goal through system-wide review and re-engineering.” (p.13)

On February 7, 1996, Governor Wilson ordered all departments to:

- inventory all major activities of their department,
- determine activity by activity, whether or not it is a core function integral to accomplishment of the department’s mission,
- determine if the activity is essential to the mission of another state department, if it is not critical to the mission

for the department under review,

- develop performance, cost and quality measures for all core activities,
- determine if direct control is essential or if the department can obtain a comparative advantage (over alternative sources) by performing the activity itself, and
- outsource activities that cannot be performed cost-effectively by the department.

Governor Wilson summed up his guidelines with: “As we approach the 21st Century, California’s families and businesses will be served by a government that provides only essential, necessary services at the lowest cost, with the highest quality.”

Hawaii

In December 2002, a special commission developed core functions to deliver the three goals outlined in Hawaii’s State Plan. The three goals are: 1) a strong, viable economy; 2) a desired physical environment; and 3) physical, social and economic well-being.

The core functions developed by the commission to achieve the goals are as follows:

- Protect and improve public health and welfare.
- Protect and improve public safety.
- Provide public education.
- Promote a stable and strong economy.
- Protect and conserve Hawaii’s natural and cultural resources.
- Support and perpetuate Hawaiian values, culture, lands and trusts.
- Provide critical administration necessary for the operation of the above government functions.

Massachusetts

To define the proper role of government, former Governor William Weld suggested taking a cue from our Founders and the Declaration of Independence. The Declaration spells out the refreshingly straightforward reasons we need government: to secure one’s inalienable rights to

“life, liberty and the pursuit of happiness.”

Governor Weld’s first “basic precept” was that “government should only do what the private sector cannot.” If government must take responsibility, he asked that consideration be given to the level of government best qualified to do the job—federal, state, or local.

Weld’s second precept was that “Government ought not do more with less—it ought to do less with less. This is only possible for a government that has boiled its activities down to core functions.”

“Government should offer a new service only when it is essential and when the private sector cannot, or will not, provide it.”

Weld noted: “The citizen has a right to have only the government that is absolutely necessary. Or if we really wanted to be extreme, we could say, the powers not delegated to the government by the constitution are reserved to the people! We’re raiding the citizen’s paycheck to pay for all this stuff—we’ve got a moral obligation to take as little as possible.”

In his 1995 report to the citizens of Massachusetts, Governor Weld suggested the following core functions:

- Ensure Public Safety: “First and foremost, government should protect people from being injured by others or by physical disasters. Our society was founded on the principle of individual liberty. For liberty to be protected, there must be order, for in its absence we cannot be secure in our persons or in our property.”
- Help Those Who Cannot Help Themselves: “State government ought to help care for those with limited ability to care for themselves. Not those who don’t want to work—those who cannot.” Weld’s emphasis was on needy children and senior citizens, disabled adults and transitional assistance.
- Serve as Steward for Our Public Property: “State government ought to take care of those assets, including our natu-

ral resources of parks, open space, and rivers, and our built resources, like roads and bridges.”

- Ensure an Educated Citizenry: “Responsibility for education rests ultimately with parents. The state should ensure adequate funding for primary and secondary education, but should no longer monopolize its provision.”

North Carolina

The John Locke Foundation, in North Carolina, recommends the following core functions for government:

- law enforcement, courts and corrections,
- public education, with the primary emphasis on K-12 and reduced subsidies for non-teaching K-12 expenses and higher education,
- statewide highway system,
- environmental protection,
- basic anti-fraud regulatory agencies (with limited power), and
- safety net of social services for public order.

Virginia

Former Governor George Allen created a Strike Force to consider necessary government reforms that operated under the following principles (the precursor to developing core priorities):

- Good government is wise and frugal.
- Government should restrain individuals from injuring one another.
- Government should leave the people free to regulate themselves.
- Government should not take from the mouths of labor the bread it earned.

For every item in the budget, I asked two key questions: First, is this activity . . . essential for state government and taxpayers to provide? And second, is this activity more important than a tax cut for all Virginia’s working families and small businesses—or other priorities the citizens have in law enforcement, education and job creation.

—Former Governor George Allen

“The citizen has a right to have only the government that is absolutely necessary.”

—Governor William Weld

Government should be a rudder, not an engine.

Indianapolis

Former Mayor Stephen Goldsmith's reform plan of 1995 operated under four principles:

1. People governed least are governed best. Government exists to serve. Period. It should provide only those services people cannot obtain for themselves through the marketplace.
2. Government should be a rudder, not an engine. Government should not be so much an administrator as a facilitator. It should identify needs that the marketplace cannot fill, then empower people and families to fulfill those needs. It should not attempt to be Big Brother, and it should never attempt to replace the family. Government should create an atmosphere in which businesses can thrive, but it cannot replace the marketplace.
3. People know better than government. Every time government raises taxes, it makes a bold statement. It says to people, 'We know how to spend your money better than you do.' In reality, maximizing the range of choices people have in the free market—by maximizing the amount of money they keep for themselves—is the best way to guarantee health, happiness and security.
4. Government should be measured the same way every other enterprise is measured—by results. We shouldn't talk in terms of programs funded or salaries paid, but, rather in terms of neighborhoods protected and workers trained. If people aren't getting a dollar's worth of service for every dollar they pay in taxes, then government isn't helping them—it is ripping them off.

Doing things more efficiently is not the ultimate end of government. Sometimes government should just get out of the area.

—Former Mayor Stephen Goldsmith

New Zealand

In the 1980s, New Zealand was not only uncompetitive in world markets, its government was nearly bankrupt. Officials reversed the process and decided all programs and agencies would be abolished within six months unless its functions and products could meet these "burden of proof" questions:

1. Should it still be done?
2. Who should do it?
3. Who should pay for it?

All government functions were turned into self-standing businesses with chief executive officers appointed for five-year terms, which can only be terminated for non-performance. The Department of Transportation shrunk from 500 employees to 57. Farm subsidies were eliminated over an eight-month period. Taxes were cut dramatically, but revenues went up by 20 percent. The rule in New Zealand was, and still is for the most part: government should do nothing that can be done more efficiently or more cost effectively in the private sector.

Conclusion

When deciding the core functions of government, the following questions should be asked:

1. Is this a proper function of government, or is it best left to the individual, family, or charitable organizations?
2. If intervention is necessary, is it best left to local government which is closer to the people?
3. Does it further increase taxes, regulations or the size of government? If so, is this justified?

Many lawmakers are unwilling to determine core functions of government because 1) it is hard work and may take years to get right, 2) fierce philosophical battles must be waged with the end result being a compromise that may please no one, and 3) most lobbyists and other special interests hate it, because it's new and less pliable once adopted.

Still, the ultimate responsibility of lawmakers is to look taxpayers in the eye and honestly report to them that government is functioning excellently within its boundaries and its means. Starting the governing process with sound core principles ensures this possibility.

