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Every two years, the libertarian think tank the Cato Institute ranks every governor in America on how they've managed their state's finances. This year, New Hampshire Gov. Chris Sununu won the top honors due to his successful efforts to restrain government spending and keep taxes low. The Washington Examiner spoke with the governor about how a fiscally conservative approach to governance leads to prosperity and success. This has been edited for length and clarity.

WASHINGTON EXAMINER MAGAZINE: The Cato Institute ranks you as the most fiscally responsible governor in the country. You said that all 50 governors would love to win this award. Why do you think that governors tend to have this tendency toward fiscal responsibility that doesn't often show up in national politics and in Washington, D.C.?

CHRIS SUNUNU: Well, we have to manage [the government]. So, there's a huge difference between a governor and someone in Congress or the Senate.

You know, people have asked me, for example, to run for the Senate or to run for Congress. And I'm not saying this flippantly, I really mean it: That's like taking a demotion — because they don't actually do anything.

Congress, they vote on a policy. They vote up or down on funding. And then that's kind of it, I mean, and they don't even do that very well.

They don't have to design or implement or innovate or operationalize something real and tangible for the citizens. They don't have any responsibility for that. But governors [and] mayors do, frankly. Speaking for the governors, we have to turn [opportunities] into something real for our citizens.

And you can't do that sitting at 30,000 feet very effectively. Some governors try. They're not very effective, and I think their states fall into complacency.

Here in New Hampshire, folks are *so* connected to their elected officials. There's such a [strong] accountability process. Remember, I have to get elected every two years [along] with the largest House of Representatives in the country. We have 400 members in our House of Representatives.

And so, as part of that comes that great accountability. And as an engineer, I love that — that's a feedback response system. If you're doing well, you're getting results. You want to keep the job, you can run and hopefully keep the job. And the people have the ultimate power here. So it's a great system in that respect.

And because of that, especially in New Hampshire, it forces you to be very fiscally responsible. It gets rid of a lot of the fiscal shenanigans ... that you might see in other states.

WEX: Could you talk about your background in business and what principles and lessons you've taken from that?

SUNUNU: When I graduated [from] MIT ... I became a civil and environmental engineer for about 12 years.

A couple of principles there. I believe that you can always design a better system. I believe that the system that you design will never be perfect, and you always have to come with a Plan B or Plan C. And finally, you have to have flexibility when you design systems, knowing that it might not be perfect the first time. Typically in government, that's not very popular.

Well, the law says this, and it's very rigid. And if you want to veer from that at all, you've got to go back to a whole congressional process and change the law. But what we're trying to do is if we pass a law or a policy or a rule, whatever it might be, we're trying to design it in a way that we can pivot [in implementation] if we have to.

So, we're becoming more efficient. The engineer in me is always trying to make the system more efficient.

Then, I moved on to business. I ran a resort for six years. I bought a resort ... that had everything from restaurants to hotels to the resort itself. And so, the thing I learned there was that [management] was like a watch. If you open up a watch, you see a lot of gears, right? Some are big and slow, some are small and fast, but they're all turning together, and they all have a kind of a different job to do, if you will. But they all have to move in sync, even though they're moving at very different speeds.

And so, now you translate that to a business, a seasonal business where you're really managing a lot of different personal cash flows, business enterprises, revenue streams, all of those things come into play and have to be put together for a successful year.

I learned how to manage. [That was fundamental] coming into state government, because education is very different than fish and game, which is very different than environmental services, which is very different than the Department of Labor. But you have to have all those things working together.

WEX: One of the fundamental questions that people across the political aisle are asking right now is what the proper scope of government should be in society and in an economy. What do you view as the proper role of the state government? Is it a driving force, a supplemental force, a referee, or what?

SUNUNU: The government's role, I think, often is a referee. It's [also] a communicator. [Most] of the problems people have with government can easily be solved when you just put them in touch with the right person. Sometimes ... they get stuck in this malaise of bureaucracy.

And then, if you [zoom out] to 30,000 feet, the role of government ... comes down to health and safety. If it's not directly pertaining to health and safety, we should at least take a step back and say, why are we getting involved?

In the world of business, I think you've got to provide certain provisions for the health and safety of workers and consumers. But at the end of the day, we should probably say, look, you've got to do what you've got to do.

Let's take a simple example. Government builds a lot of roads. Well, the main thing we're focusing on is safe exit ramps, wider lanes, getting rid of traffic, and other things that would cause health and safety issues. For the most part, a lot of what we do comes back to the health and safety of our citizens.

Now, COVID-19 is a great example of that. Obviously, we had to make some very extreme decisions that, frankly, I never thought I would ever be making. I hope no governor ever has to make the decisions I've had to make. I hope no one has to be in this position again. It's been really, really hard. I can't express that enough.

[But the government has] to provide for that kind of health and safety aspect.

I think we should always be asking, does this directly pertain to health and safety or even indirectly? And if so, OK, how? And then beyond that, I think we have to ask a whole second and third layer of questions of why the government might be getting involved.

WEX: What areas have you been able to roll back regulations or deregulate that you think the government was involved with beyond its purview?

SUNUNU: Everything. Early on, within the first six months of becoming governor, I cut back, I think, about 1,600 regulations. I was able to [do] it with an executive order; we found a way to basically write them right off the book. A lot of them were old and obsolete, to be sure. But that set a tone.

If you can't explain your rule in about four sentences, maybe you don't need it. It's too complicated.

I think the areas where we're trying to focus the most on are flexibility in schools, letting teachers and principals and parents have more control over what's happening in that classroom or in their communities. It can come with school choice for a family. It can come with just [more] flexibility for the public school teacher.

We have some of the best public schools in the country and are very proud of that. And we put a lot of funding into them. But [we want to] give them flexibility, not have a single governor say, you shall teach to this test, you shall teach this subject.

Some of the regulations around the Division of Children, Youth, and Families: So you have kids that might be in an abusive situation; maybe they're in a foster home. You have a loving family that maybe wants to adopt them. But the regulations and the red tape around that process is so insane and cumbersome. At the end of the day, it's not in the best interest of the child.

You have kids stuck in foster care for years. It's crazy. That process shouldn't take more than six months. And sometimes, you've got to go through court and work with families. Let's do our job and actually move that kind of stuff along.

Mental health, same thing. A lot of bureaucratic laws.

I mean, this is why I don't think lawyers should ever run anything. Frankly, lawyers should never be governors because their skill set is not my skill set. I mean, I think there's a place for lawyers, to be sure, but their skill set is the writing [of] laws and rules. And, you know, that's what they do.

But that isn't management. That isn't innovation.

Innovation is about finding efficiencies within the system. And when you do that ... you become more fiscally responsible to yourself and to the citizens. Everything just works smoother, and you're getting better outcomes faster.

WEX: Things are already on the rebound in New Hampshire, but what remains to be done? What are your top priorities for the next two years to get the state back on track after COVID-19?

SUNUNU: So, [our agenda] is going to be driven around the economy [and] the safety of our communities. We will have to manage a bit of a budget hole, not huge, in the next term. But again, we plan on cutting taxes [and to] keep on with the deregulation we've made.

Whether it's the Trump or the Biden administration, either one, we could use some more waivers and flexibility with the federal government. I'm going to spend a lot of time working with them in this next term, just making the case [for] as much [regulatory] flexibility as they can give us. Because we're not New York, we're not California, we're not Arizona, and they're not us. They should have different rules than we do because they have different socioeconomic dynamics and demands on our citizens.

What's right for New Hampshire just isn't right for 49 other states, and vice versa. So, as much flexibility as we can keep fighting for, that's how you keep creating more efficiency in the system and keeping costs down.