

## **POLLS Gov.-elect Rick Scott's economic team embraces 'free market' approach**

By RYAN MILLS

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NAPLES — Promising to slash taxes, cut government and create 700,000 new jobs along the way, Florida Gov.-elect Rick Scott campaigned as an unapologetic economic conservative and champion of the free market.

And if early appointments mean anything, it looks like Scott will govern the same way.

Liberal Floridians who thought Scott's narrow, 1 percentage point victory over Democrat Alex Sink may temper his conservative instincts and open doors to more moderate economic policies had better think again.

Don't expect Keynesian-style government spending in Florida anytime soon. In mid-November, Scott announced the members of his economic advisory council, and they appear to be as dedicated to free market, supply-side economics as he is.

"President (Barack) Obama gave Keynesian economics its first real world test when he signed the \$800 billion stimulus bill into law. It hasn't worked," Brian Burgess, Scott's communications director, said in an e-mail. "Gov.-elect Scott believes in the power of the free market and in individual empowerment, and the people on his economic team are all experts in implementing effective, free-market economic policies — exactly what Florida needs to fix the broken economy and create jobs."

The council is led by Donna Arduin, who served as director for the Florida Office of Policy and Budget under then- Gov. Jeb Bush, and held similar posts while working for governors Arnold Schwarzenegger in California and George Pataki in New York.

"She has a reputation for coming in and trying to balance budgets in big states," said Susan MacManus, a political scientist at the University of South Florida in Tampa. "She's big league."

The other big, big name on the list is Arthur Laffer, known as "The father of supply-side economics," who served as an economic adviser to President Ronald Reagan. He is known for his "Laffer Curve," which says that increasing taxes beyond an optimal point discourages work and decreases government revenue.

Rounding out the council are Tad DeHaven of the libertarian Cato Institute think tank; Talmadge Heflin, director of the Texas Public Policy Foundation's Center for Fiscal Policy; Randall Holcombe, a Florida State University professor and senior fellow at the conservative James Madison Institute think tank in Tallahassee; and Robert McClure, president and CEO of the James Madison Institute.

It's a "hall of fame of conservative economists," MacManus said.

They will help the Naples businessman and governor-elect develop his first budget, which is due Feb. 4.

"He has really picked some big names," MacManus said. "There are a lot of heavyweights on that list, both on a practical and academic perspective."

Scott's choices for his economic team have been hits with free-market advocates and business groups.

"Given where we are with our economy, I think it's appropriate and pretty exciting news to have a governor who wants to surround himself with economists who can give him pretty sound advice," said David Hart, executive vice president of the Florida Chamber of Commerce.

Dean Stansel, an economics professor at Estero-based Florida Gulf Coast University with free-market leanings agreed, saying that if Scott listens to his economic team "the state's economy should be in a much better state than it would be otherwise."

"It sounds like he's not trying to govern in a middle-of-the-road way," Stansel said.

But while Scott's economic team may be exciting for conservatives and libertarians, it's scary to some liberals and progressives.

Steve Hemping, chairman of the Collier County Democratic Party, said Florida could well become a laboratory for free-market conservatism.

"That's what we're afraid of most, to be honest with you," Hemping said. "Most of the state, our population, should be very concerned. Free market is not fair market."

Hemping said Scott wasn't elected with a large mandate, and should be reaching out to people with different economic perspectives. He would like Scott to consider investing in green energy sources and small businesses; improving rather than bad-mouthing the recent health-care reform bill; accepting the 2002 class-size amendment and recruiting and training quality teachers; and utilizing short-term infrastructure projects and high speed rail projects to keep Floridians working.

"What he's saying by picking all of these folks ... is he'll basically be getting input from people on one side of the issue," Hemping said.

How much sway Scott's economic team will have remains to be seen.

FSU's Holcombe, who also served on Bush's economic team, said Bush used his team as more of a sounding board for his already well-developed economic ideas.

"I think we had a minimal influence," Holcombe said. "I'd love to say he used to take my advice on everything, but I know that's not true."

Burgess said Scott will likewise use his economic team as a sounding board, but will be open to suggestions, too.

During a recent speech to business leaders who make up the Florida Council of 100, Scott outlined the direction he plans to take the state.

He called for transparent, outcome-based biennial budgets; increasing government spending only as the private sector grows; avoiding the "pitfalls" of temporary federal assistance that come with permanent state spending obligations; requiring state employees to contribute to their pension plans; reducing prison costs by paying competitive salaries for prison staff; reducing the state workforce by 5 percent by cutting out layers of management; tort reform; cutting back regulations that "grow and spread like weeds" and eliminating the corporate tax.

"The opportunity cost of a business tax is a higher unemployment rate," Scott said. "That's a cost I don't accept."

A group of Florida economists from the Legislature and Gov. Charlie Crist's office recently predicted that Florida would gain at least 1 million new jobs over the next 10 years, which is 300,000 more than Scott has called for in seven years. However, they also predicted that unemployment will stay at or near 11.8 percent and the housing market will stay depressed for longer than anticipated, the Associated Press reported.

Looking forward, MacManus said she expects to see increased tension between public sector and private sector employees. She expects cutbacks in the public sector, particularly at the mid-management level.

"I presume their view of how to do things will reflect the need to do more with less, in a way," MacManus said of Scott's economic advisers. "But cutting in a diverse state like Florida is easier said than done."

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