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## South Florida Sun-Sentinel.com

### Scott names economic advisers

By Tonya Alanez, Sun Sentinel

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Gov.-elect Rick Scott on Monday announced a group of ardently conservative and notably controversial economic thinkers who will advise him on his first budget proposal.

The high-profile list includes the economist who inspired Reaganomics, a fiscal fix-it expert who has advised four Republican governors, and a budget analyst from the influential, Washington D.C.-based libertarian think tank, the Cato Institute.

Critics say it's a troubling combination of economists who have promoted flawed theories in the past and will surely lead to hard future times for low-income Floridians or those who rely on social services.

Scott has set the bar high for the cast of six, which includes Donna Arduin and Arthur Laffer, whose "Laffer Curve" became the basis for using tax cuts as a way stimulating the economy and a pillar of Ronald Reagan's economic philosophy — and is blamed for leading the country into the largest deficit in decades.

"Scott put his seven-step plan to create 700,000 jobs in seven years on the fast-track today with the announcement of an impressive cast of nationally known economics experts who will advise the governor-elect throughout the budget process as he begins to turn policy into action," according to a release from Scott's press office.

Heading the team will be Arduin, who as budget chief to former Gov. Jeb Bush and then to California Gov. Arnold Schwarzenegger earned a reputation as a proponent of deep cuts to social programs and privatizing government services. She has also worked for governors in Michigan and New York and is known to promote performance-based budgeting, forcing agencies to reach specific goals in order to receive funding.

Also among Scott's economic line-up is Tad DeHaven, of the Cato Institute, who has written works condemning runaway federal spending.

The announcement brought sharp criticism from Bruce Nissen, director of research at the Center for Labor Research and Studies at Florida International University.

"[Laffer's] theory basically doesn't hold water and Donna Arduin is one of his disciples," Nissen said.

advertisement

The advertisement is for "POPS in the PARK" by the Keys Community Concert Band. It features a cartoon character of a man in a hat and coat, holding a large instrument. A speech bubble from the character says "Bring a blanket or lawn chair". The text includes "Keys Community Concert Band", "POPS in the PARK", "BRING THE FAMILY FREE OUTDOOR CONCERTS", "The Florida Keys & Key West come as you are", and the phone number "305-853-7294 for more info". The TIB BANK logo and website "www.tibbank.com" are also present.

"When you complement that with extreme libertarian thinking of individuals from the Cato Institute and the rest, you get some extremely unorthodox and unusual economic policies."

The impact, Nissen said, will be felt by anyone who relies on social services and public education: "Anybody who's on the lower 60 to 70 percent of the economic spectrum, they'll be the economic losers."

In a telephone interview Monday evening, Laffer said Nissen's criticism is misplaced because Reaganomics was based upon income tax and, "economic growth under Reagan, everyone knows, was extraordinary."

Laffer said his suggestions to Scott will all turn on figuring out tax, regulatory and spending structures that will benefit the state and make it attractive to businesses.

"What I'm going to advise Rick Scott on is to take his portfolio of assets in the state and to use that portfolio to create the most prosperity for Floridians."

Incoming Florida Senate Majority Leader Andy Gardiner, R-Orlando, said party leaders were "generally pretty impressed" with Scott's lineup.

"They're individuals that can make a decision, and a timely one, and I think that will work very well," Gardiner said.

But Sen. Nan Rich, D-Weston, said the group holds economic ideologies that haven't panned out in the past.

"It's déjà vu all over again," Rich said. "This is kind of a renewed push for the trickle-down economic policies ... they believe that if you cut taxes to the wealthy and corporations that it trickles down to the middle class and poorer folks in our society. We've not seen that work."

The three other members of Scott's Economic Advisory Council are:

Talmadge Heflin, who served 22 years as a Republican Texas state representative. He was chief architect of an effort to bridge a nearly \$10 billion budget shortfall without raising taxes but resulted in deep cuts to health and social services programs. Heflin is director of an Austin-based think tank, the Texas Public Policy Foundation, which advocates limited government.

Randall Holcombe, an economics professor at Florida State University who served on Bush's council of economic advisers.

Robert McClure, president and CEO of the James Madison Institute, a conservative think tank that has been critical of teachers unions, activist judges and higher taxes.

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