



Michigan COMMENTARY

Gerald H. Miller, Ph.D.: A Profile

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When Jerry Miller was named director of the Michigan Department of Social Services (DSS) earlier this year, more than a few Lansing pundits were surprised. As Governor Milliken's budget director and the architect of the budget stabilization fund and the single business tax, Miller made an indelible mark on state financing. But how does a career in public finance and tax policy prepare him to head Social Services?

"I accepted this position because I believe I can make a difference. From my previous work in Michigan as budget director and in Washington D.C. on public assistance issues [Miller spent 1983-1990 as executive director of the National Association of State Budget Officers], I saw the pressing need for better management in public assistance programs. The public expects government to manage their dollars well—after all, it is not our money, it is the public's money. We have to find the balance between public fiscal accountability and accountability to the client."

Miller believes a balance can be achieved; furthermore, he feels that good management will benefit DSS clients as well as the taxpayers. "If people believe you are mismanaging money, they will tell their legislators to spend less on social services, which means we will be able to do less for clients. We won't be able to serve those truly in need."

Gerald H. Miller has assumed leadership of the DSS, Michigan's largest and most unwieldy state agency—it has more than thirteen thousand employees and an annual budget of \$5.5 billion—at perhaps the most trying time in its turbulent history. So many times has the department been sued just in Miller's five months at its helm, that he tells people to take a number and stand in line, a remark that could be construed as glib were it not true. The department is besieged. On one hand, many advocates of downsizing state government look to the "welfare budget," believing the DSS epitomizes bureaucratic inefficiency and unjustified handouts. On the other, social services advocates protest relentlessly against cuts in what they believe are programs essential to the neediest among us.

Miller wants to serve those truly in need. "I have always felt that the role of government is to help people who cannot help themselves." He believes, however, that in many areas, government—particularly the federal government—has gone too far in influencing people's lives. As an example, he says the federal government "has no obligation to provide financial resources for shelters for abused people in Lansing. That's a state and local decision. The best thing the federal government can do is to make responsible monetary and fiscal policy to allow the economy to function optimally." He believes Washington could "help us most by reducing the deficit and letting our revenue structure generate money for the state."

While this view may not endear him to social services advocates, he should not be seen as an antagonist. One needs only a few minutes with Dr. Miller to understand that he has devoted a great deal of thought to social policy and the economy, and his remarks cannot be reduced to partisan ideology: "In a number of areas the state has spent considerable resources that could be spent more effectively on people who cannot help themselves." As examples of misdirected resources, Miller points to some education programs and to grants given businesses to encourage them to locate in certain areas.

Miller is thought by most to be more moderate politically than his boss, Governor Engler, but Miller brushes aside this difference: "My responsibility is to serve the governor. Any director is expendable; the governor is not. I serve the governor best by pointing out to him the implications of policies under discussion." As for partisan politics in the legislature, Miller says, "I think I have good relations with both



sides of the aisle. I think I am doing a good job of presenting the governor's agenda to them." House Democratic attacks on the administration's social service policies do not appear to upset him.

Miller keeps returning to government's responsibility to help those who cannot help themselves; this leads him to list children and families as the department's first priority. "To the extent we can, we have to stop taking children out of the home. The longer children are in foster care or other out-of-home placements, the greater the chance they will return to poverty and dependency as adults. Foster care is a necessary evil, but it's more evil than necessary."

Dr. Miller has high hopes for Families First, a program introduced in 1989 that sends counselors into homes to provide intensive family therapy. It has served nearly twenty-four hundred families and six thousand children. Because of the program, 80 percent of these children have been able to remain in their homes; without it virtually all would have gone into foster care. The program improves care to children and saves money—foster care is much more expensive than Families First—and Miller wishes to expand the program statewide. Nevertheless, he sees obstacles: "The federal government will pay me to pull a child out of the home, but it won't pay for programs that aim to keep the child with the family."

Miller is wary of institutionalization in all its forms, and so he also wants to focus on services to the aging, an area where "there is a lot of rhetoric and little action." He believes that keeping the elderly out of nursing homes unless absolutely necessary is both humane and financially responsible. "We really have a responsibility to help people live in the least restrictive environment. There ought to be incentives to keep people *out* of nursing homes, not *in* them, as we currently have. If people need financial help to stay in their own homes, that's fine—it still will be cheaper than institutionalizing them."

Miller is dedicated to coordinating delivery of state services wherever possible. To accomplish this, he is working with the directors of the departments of Public Health and Mental Health and the offices of Substance Abuse Services and Services to the Aging. "The directors are meeting regularly. It is critical that we prevent clients from being shuffled around from one department to another."

Miller also is committed to helping the local Social Services worker help the client. "The most important person in the department is the front-line worker. There ought to be enough of them to serve our clients well, and they ought to have the support they need—particularly computers—to help them. I was visiting one of our offices and I talked to a bookkeeper who still was using ledger sheets, writing numbers by hand. She didn't have a computer. It's appalling! People like their jobs better and work better when they have computers. And we have to simplify procedures—that silly twenty-page-plus application form has got to go."

Miller is both deliberate and passionate about the problems he faces. He never answers without pausing to think, but he is not being guarded; he simply is giving the matter the time he believes it deserves. He often says, "I feel strongly that . . ."; it is an unforced reminder of the quiet conviction that underlies his public service. Few would call Jerry Miller easy-going, but he clearly is at ease with his beliefs and with his ideas about how to translate them into good public policy.

A good friend of Miller's calls him the hardest working person he ever has met. Miller's office is on the top floor of the new Grand Towers state office building; the view is splendid, the decor austere. The big room has only a desk, a small conference table, and a few bookcases. Family photographs and humorous, inexpensively framed tennis posters are displayed haphazardly atop bookcases and on the walls. There is little to suggest that he has been a central force in the executive branch for part of three decades. No plaques. No awards. No diplomas. No autographed pictures. He is there to work; the surroundings are incidental.

Miller worked hard to earn his doctorate in economics. He came to Michigan State University in 1963 after graduating cum laude from Western Maryland College, turning down fellowships from Princeton and Harvard to enroll in MSU's graduate program in public control, at that time the nation's best. "I had no intention of staying in Michigan. My mother couldn't believe I was leaving the East. She would say 'Oh my, Jerry's going way out west to Michigan.'" When he met and married his wife, Sharon, however, his plans changed. "I had to get a real job and help pay the bills." He switched from public control to economics and completed his doctorate, while working part-time, in only three years.

While in graduate school, Miller began his long tenure at the Michigan Department of Management and Budget (DMB). "I was involved in research on tax policy and revenue estimating. One day, the only full-time staffer in the office—the only person besides me in the office—told me he was leaving and I was in charge. I was only a part-time grad student." Despite the trepidation with which he assumed this position, he flourished, eventually becoming a trusted tax advisor to Governor Milliken. He credits Glenn Allen [now retired from the state court of appeals] for helping him: "I have the ultimate respect for Glenn. He was budget director when I first came to the DMB, and he gave me immense opportunities as a student. He taught me about public finance and budgeting." In 1975 Miller himself was named budget director, a position he held through 1982. Of that time, Miller counts among his most rewarding accomplishments the single business tax. "The SBT is good for Michigan: We had to find a way to smooth the [revenue] peaks and valleys [caused by] Michigan's cyclical economy. Also, under the old tax system, some people were not contributing at all to the support of government; the SBT makes them pay, too.

Today, as director of the state's largest agency, Miller recognizes the value of his experience as budget director. He sees sound financial management of public resources as extremely important. It is in the context of managing limited resources to serve those who cannot help themselves that Miller's most controversial budget proposals are best seen. For example, he believes that General Assistance (GA) should be ended for able-bodied single adults. This is consistent with his belief that the department should use its limited resources to help children and families. He has no intention of abandoning persons on General Assistance, however. "A large number of people on GA do not have very good basic or work skills, and I believe that we have the responsibility to help them improve. That is the purpose of our adult education proposal."

The proposed adult education program would devote \$40 million from the school aid fund to individuals whose GA grants are eliminated, and the DSS would pay approximately \$100 a month toward the rent of those who enroll in and attend adult education classes. The goals of the program would be to help former GA recipients complete high school, develop marketable employment skills, and find jobs. Miller laments the lack of attention given this aspect of the GA issue: "Adult education has not been discussed much, and it's one of the most exciting things we are trying to do. There are people who are functionally illiterate, and we want to give the disadvantaged the basic skills to help them get jobs. We want to help people who are willing to help themselves." Asked if basic skills will be enough to get these people jobs, Miller responds, "We can't guarantee them jobs—no one is guaranteed that—but we will do everything we can to help. We are offering them not only education, but also financial assistance [for shelter]."

Miller acknowledges that the GA population is difficult to characterize, and he wants to learn more about it: "There is a lot of confusion about who these people are, and I don't think we know completely. We will find out a lot by asking them to come forward."

The Aid to Families with Dependent Children program also is on Miller's mind. "We have to help the children on AFDC. If we don't, the problems are passed on to the next generation." The cycle of dependency is "very real," according to Miller. "When I visit some areas, when I see two, three, even four generations on AFDC, I know we have to try something different to help these people."

Miller wants to encourage adults on AFDC to make their own decisions about their lives. "That's why we are moving to the flat grant." (Grants now include geographic adjustments for cost of living. With the flat grant, this no longer will be the case: AFDC assistance levels will be based solely on family size.) "It is a small step, but it is like giving you or me a salary: The people who pay our salaries don't tell us how to spend it. AFDC recipients shouldn't have someone telling them how to spend their grants. Moving to the flat grant, increasing energy conservation, and moving toward automated teller access to funds—we will do anything we can to encourage people to be self-sufficient and function like non-public assistance residents." What if the grant level is inadequate? "That's a tough question. When setting the grant level, you have to consider how much the working poor make; you don't want to discourage people from seeking work. Michigan's grant levels are not adequate, but they are nearly so—high enough to live on and low enough to encourage recipients to seek work." Miller also aims to help adults on AFDC find jobs. "We will do more in child care and transportation; these are serious barriers to job seeking," he says.

Miller wants to erase the stigma associated with AFDC and focus attention on helping the children. "I do not like the word *welfare*," Miller says insistently. "I try never to use it. I prefer *public assistance*." Does he believe that women have children to get on welfare or increase their benefits? "Absolutely not." Neither does Miller believe that public assistance itself encourages people to stay on the program.

Miller believes that the DSS can do a better job of identifying children and adults in greatest need and targeting them for service. "We now are making progress in using risk assessment instruments for kids and adults. Before this we often couldn't figure out with certainty what clients needed." Currently, the DSS pays clients a set amount, regardless of need. Miller is confident that reimbursement can be tied to need. As an example, he points out that "we will be the first state in the country to base reimbursement for adult home help on an assessment of which activities of daily living—eating, dressing—clients can perform. This enables us to give more to those who need the most help." Miller sees such targeting as a hallmark of sound public management.

For Medicaid, the largest and fastest-growing program in the DSS, Miller has no magic bullets. "I don't have any answers for Medicaid. The budget just grows and grows and grows. The federal government has to step in. We absolutely need a massive reallocation of resources." In the absence of federal intervention, states only can "chip away at the margins. We can do minor things to reduce costs, but we have to be very careful about jeopardizing access. I am very concerned about cuts to physicians. It is terrible that some counties have no obstetrician/gynecologists. We have a good group of physicians in this state, and we're straining them with low reimbursement." Medical malpractice reform gives Miller some hope, however. "With reform, I think there will be more willingness among physicians to treat Medicaid recipients."

Miller commutes from Monroe, staying overnight in Lansing when meetings run late. An avid tennis player (with little time to play), he recently had the pleasure of watching his eldest son, Lewis, lead Kalamazoo College to the NCAA Division III tennis championship by winning at number one singles and number two doubles. "One of the reasons I took this job was to be closer to him," Miller explains. His daughter, Kristina, recently graduated from Duke University with a master's degree in biology. Robert and Benjamin, two sons with special needs, live with Jerry and Sharon at home in Monroe, where Sharon is the executive director of Monroe County Community Mental Health. "Raising special-needs children clearly affects the way you think about the role of government," he says.

Although Miller first came to Michigan with no intention of staying longer than the time it took to obtain his doctorate, he now wants to stay. "I really don't see myself returning to Washington. I loved the job with the NASBO, but it taught me that the federal government largely is the problem and that the answer is with the states."

Miller is looking forward to working as the DSS director for the next eight years. After that, he cannot say. When asked what propelled him into a career in public service, Miller answered that it was his father, who retired after forty-eight years in the U.S. Department of the Interior, the longest tenure in a single agency of any federal employee: "He was the major reason I wanted to pursue a career in government. We always had dinner-table discussions about public policy and public service." If he comes close to his father's record, Jerry Miller will continue to serve the public for a long time.