



## Doug Roberts: A Profile

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Michigan Treasurer Doug Roberts talks about state government and finances with the earnest enthusiasm of a professor explaining his pet theory. At 43 a twenty-year veteran of three gubernatorial administrations, the affable Roberts was, along with Budget Director Patti Woodworth, one of Governor-elect Engler's first appointments.

"I believe in government; I believe that it can do a lot of good for people, and I believe that working in government is a very satisfying profession," he says. A voluble conversationalist, Roberts talks about himself and his career with an unpretentious informality reflected in the style of his first-floor corner office in the Treasury Building. When he speaks, the meticulous differentiation between personal opinion and government policy in his anecdotes, and his reluctance to take credit for achievement—preferring instead to credit those above and below him, reflect a long and successful career in public administration.

"Given my long background in government," he says, anticipating a likely opening inquiry, "the question is, 'Am I comfortable with the cuts taking place in the budget?' The answer is, 'Yes, I am.' In twenty years, a lot of good has occurred, but unfortunately, I saw very little attempt in the departments where I worked to reduce spending. There was never a serious discussion about trading off an older program for a new initiative; the older program always had too many constituencies, and cutbacks just didn't occur. I believe it's clearly in the long-run interest of the state that periodically—maybe once every ten years—we discuss things that we may have taken for granted before, such as what the long-term scope of government should be.

"This governor," Roberts continues, "is raising fundamental issues that certainly deserve discussion. He's saying that, even if government *should* be doing some of these things, that's only the first test; the second test is, is it more important than something else that you otherwise can't fund at all?"

As one of the governor's chief fiscal advisers, Roberts has a resumé that points logically toward the department headship he now holds. With a doctorate in economics from Michigan State University, his first government job was chief aide to the House Taxation Committee from 1972 to 1976. He completed his doctoral dissertation on the state's tax structure during this tenure with committee chairman and mentor Representative George Montgomery. From there, Roberts served successively as acting director of the Office of Revenue and Tax Analysis, director of the Office of State Employer, executive assistant to the director of the Department of Management and Budget (DMB), deputy DMB director, deputy superintendent of public instruction, and, most recently, director of the Senate Fiscal Agency.

Roberts's predecessor as treasurer, Bob Bowman, earned a reputation as a colorful and outspoken confidant and stalking horse for his governor. Roberts sees his role and his relationship with Governor Engler—who was Senate Majority Leader during Roberts's three-year tenure at the Senate Fiscal Agency—quite differently. "I will not have the same profile," Roberts asserts. "All administrations have certain individuals who, by their nature and personality, take center stage. It may be the state treasurer, it may be the budget director, it may be chief of staff, it may be the press secretary—the position isn't as important as the flamboyance of the individual and the relationship of that person to the governor. My predecessor, for whom I have a lot of respect, was flamboyant and very close to the governor, and the governor trusted him, so he became a spokesperson for the administration in a number of areas that weren't necessarily related to Treasury. My function is much more subdued, and I'm comfortable with it."

Roberts is also comfortable playing a supporting role to the Department of Management and Budget director. Patti Woodworth's appointment was announced simultaneously with Roberts's, three weeks after Engler's election last November. "Without any question, the single most important department head is the director of DMB," says Roberts. "That person is responsible for putting together all of the competing



demands, to focus them for presentation to the governor.” Roberts was deputy director of DMB for four years during the Milliken administration, served briefly as acting director, and was an executive assistant to then-director Gerald Miller (who serves the Engler administration as director of the Department of Social Services). “Because I have been there, I think I basically understood better than almost anybody else—except Jerry Miller who sat there for a long time—the competing pressures. I do everything that I can to assist the budget director in making her job easier; we talk almost every day on different issues. Ours is a very easy and positive relationship. But she is the one who has to go in and make the budget decisions.”

Roberts grew up in the Maryland suburbs of Washington, D.C, where his father was a Secret Service officer who protected six U.S. presidents and was in the 1963 Dallas motorcade where President Kennedy was assassinated. “I was in high school at the time,” Roberts recalls. “It was announced over the intercom that the president had been killed, the governor of Texas had been wounded, and a secret service agent had been killed (an erroneous report: a Dallas police officer was killed). I did not even raise my hand, I shot out of the classroom, ran to the phone, called my mother, and asked her if Dad was okay. She said, ‘Yes!’ Three days later I asked my mother, ‘How did you know so quickly that he was okay?’ She said, ‘I didn’t.’”

Roberts has vivid memories of growing up as the older of two brothers in the early sixties: “It was a very different time. ‘Drugs’ meant tobacco. We were children of the space age. We stopped class to follow every rocket launch on TV, and we knew the name of every astronaut.”

A distinguishing personality trait that Roberts developed early in life is the need to arrive independently at his own decisions. “I am not easily persuaded by pressure from peers,” he relates. “I’m not easily swept along with the mob. When I was growing up, my father impressed upon me: ‘If you ever get in trouble, you will cast aspersions on me and my position in the White House.’ Whether that was true or not, I believed him, and that played a very big role in what I thought I could and couldn’t do. When I was in college, for instance, and marijuana use became more common, whenever it was in a room, I just left. It’s not that I felt holier-than-thou. It’s just that I wasn’t going to be there. Period.”

A career in economics didn’t initially occur to Roberts, who began college as a chemistry major, then switched to business. “Economics courses just seemed to come easier, so I took a lot of those. It wasn’t until my senior year in college that I thought I’d attempt graduate school, and I was working for [State Representative] George Montgomery at the time I completed my doctorate.”

From there, his eight-year tenure in a variety of jobs with the Department of Management and Budget reads like a virtual internship for a fiscal leadership position, although Roberts says he never thought about the possibility of becoming treasurer. “As much as people like to say that you gear up for certain positions, I don’t think I ever sat down and said, ‘This is where I’d like to end up in government.’ It is fair to say that I was hoping someday to have the opportunity to be a department head, since I’d gotten so close a number of times. I think a lot of times these positions are a matter of some luck, opportunity, and being in the right place.”

Roberts credits former boss and current colleague Jerry Miller with serving as a mentor in his career. “I consider him a very close friend as well as a mentor,” Roberts says. “He taught me how to manage. One of his attributes that I try to emulate is to be demanding on substance while at the same time being kind to individuals. I never felt that Jerry treated anyone in other than the way he’d want to be treated himself. And I try to do the same thing; I don’t yell at people, and the reason is that I don’t like to be yelled at.” Roberts also acknowledges a debt of gratitude to first boss George Montgomery, who, says Roberts, “was enormously good to me; it’s hard to put into words all the things that he taught me.”

As treasurer of Michigan, Roberts feels “very comfortable” with the administration of a large agency—the department has 1,450 full-time employees. “While I don’t remember all the details of every tax, I’m comfortable with the fact that I know a lot about Michigan state and local taxes,” he reports, adding, “one aspect of the job of state treasurer that I had not fully appreciated in terms of its emotional impact is the investing of state retirement funds. The state treasurer in Michigan is the sole fiduciary of this \$20 billion. That’s an issue that’s constantly on your mind—you want to do absolutely the right thing. I have very strong views about how I want to run the pension investments, but it’s an area where my history has not given me as much background. So I’m spending more time there in order to become more comfortable.”

Roberts's extensive administrative experience and familiarity with Michigan's revenues and expenditures have been put to the test in his first months on the job, as the state faced highly publicized budget and cash flow problems. He outlines the state's dilemma and his role in addressing it with the patience and well-rehearsed analogies of a man who has answered these questions many times before.

"From the Department of Treasury's perspective, the single biggest problem over the first six months was the state's cash position, which had deteriorated to the point that we had to announce a delay in previously scheduled school aid, higher education, and revenue sharing payments. The real story is not the delay, Roberts says, "but rather what caused deterioration in the cash position. Really two things caused it; the first one is obvious: The State of Michigan is spending more money than it's taking in. In order to solve the 1990-91 budget the executive branch and the legislature agreed to a number of one-time revenue items. There's no argument that some of these measures should be used, but they do deteriorate the cash that the state treasurer has to work with. Whether you are a state government, a business, or a household, if you're spending more than you're taking in, then you are drawing down on some reserve and your cash deteriorates.

"The second issue was the capital acquisition deduction—a very complicated portion of the single business tax. What it basically meant was that multistate businesses in this state did not have to pay the state nearly as much SBT as they would have had the Court of Appeals not ruled the way it did. So that meant that throughout the first six months of the current fiscal year, SBT revenues were substantially less than we expected.

"Now that we've solved that issue legislatively—in what I think was very good government and a very good compromise—we're hoping that by as early as July 30 the cash position of the state will begin to improve substantially."

Roberts continues: "The other major issue under the purview of the treasurer—and which was the highlight of the campaign—was the issue of property taxes. We believe we have made major strides in that area as well. Almost immediately upon taking office, the governor recommended a property tax package with three facets: a 20 percent cut in school operating/property taxes, a freeze on the assessment level, and a constitutional limit on the increase in future assessments. In negotiations with the legislature, the administration accomplished two out of three: There will be a property tax freeze in 1992, and in November of '92, the people will be given an opportunity to vote on limiting the assessment increase by parcel on their homestead to no more than 5 percent or the rate of inflation, whichever is less. That was another major accomplishment, and we're very pleased with it. In terms of those two items we think we've made great strides."

Although Roberts's even-handed good nature and punctilious professionalism seem boundless, he is candid in describing two areas where his frustration finally persuaded him that the issues could be better dealt with by others. "The job that I've held that I wouldn't want to revisit—except maybe if the choice were unemployment," Roberts confides, "would be the Office of State Employer. Labor negotiation in my judgment is not so much an intellectual exercise as an emotional exercise. And after a period of time, in my case, the emotion runs down on it. Maybe it's the nature of that business, but it's not my nature; that's not what I want to do every day.

"And in terms of one issue I wish I could have been more successful on: I've spent more of my professional life on school finance reform than on any other single issue. I can't tell you how many chicken dinners I've eaten, or how many commissions and property tax campaigns I've been on. I really do believe that school finance reform is a very important issue, but I'm more than willing at this point to pass the baton to someone else to come up with creative ideas for achieving it. That's what democratic government is all about: coming up with proposals that the people wish to adopt, and I'm part of the group that hasn't been successful yet in convincing people on this issue. Are people willing to reduce the number of school districts—not just a little bit but substantially? Are they willing to give up their right to vote on millage? Because ultimately something has to give in order to achieve school finance reform."

What does the treasurer see in Michigan's economic future? Roberts is moderately optimistic, predicting, "In the near term, I'm looking for economic growth to occur both nationally and in Michigan. I'm not looking for very big numbers, nothing like what we saw in the middle eighties, but nonetheless improvement: decline in unemployment, significantly more revenue. I think that Michigan is in a good position to do well."

Roberts's forecast for his own future includes a departure from state government. "I think it's fair to say that when my tenure as state treasurer is up it'll probably be time to move on, time to do something else," he predicts. "I'm not trying to rush that decision; when it's time, I'll know." What options would he consider? "There are two absolutely diverse avenues that hold some interest for me. One is higher education—either as an administrator or a teacher—and the other is going into the financial side of private business. I haven't ruled out either one. I really believe that people make very big mistakes trying to say, 'That's the spot that I want.' That's not the way my mind operates. If an opportunity came along that I felt was right I would take it, but it's not that I have my sights set on anything specific."

"I really do believe that I can somehow make a difference," Roberts says, summarizing his personal philosophy and professional experience, "that somehow I can make the society I live in a little bit better. When I look back over twenty years, I can't know for sure what I've accomplished. But I do get the feeling that, yes, things are better, that, yes, maybe I can do some things better than some other people, and that, yes, I have a responsibility to do them."