

THE GOLD STANDARD

Michigan's Gary Olson is the recipient of one of the most prestigious awards for fiscal professionals.

BY KAREN HANSEN

Michigan's economic challenges are staggering.

The once mighty industrial giant has lost 18 percent of the jobs—and 66 percent of the auto manufacturing jobs—that existed 10 years ago. A decade ago, revenues were 9.55 percent of the state's personal income, today they are about 6.9 percent. Medicaid caseloads have exploded from 1 million to 1.8 million over 10 years.

It's been a steady downward spiral for the state where innovation was always a hallmark—the home of the Fords, Kelloggs and Upjohns, of W.H. Auden, Ken Burns, Ernest Hemingway, Madonna, Gerald Ford, Ralph Bunch and Rosa Parks, Isaiah Thomas, Jimmy Hoffa and Katherine Graham.

Now Michigan is struggling to close yet another budget gap—this time a daunting \$500 million out of a general fund of \$8 billion.

“We've been fighting budget battles for 10 years. This is what really puts Michigan in the forefront,” says Gary Olson, economist and director of the Senate Fiscal Agency. It's his job, with a staff of 23, to forecast the economy, revenues and the size of the deficit and then guide senators to a balanced budget option and evaluate proposals from the governor. He has been doing this for some 30 years—20 as director—for an agency with an outstanding reputation for rock-solid numbers.

“BIGGEST HONOR OF MY CAREER”

Olson, a down-to-earth Midwesterner with an easy laugh and impeccable judgment in matters of finance, has a national reputation himself. He was president of the National Association of Fiscal Officers and staff chair of NCSL. And now he is being honored



PHOTOS: MICHAEL P. QUILLINAN, MICHIGAN HOUSE REPUBLICAN COMMUNICATIONS

with one of the most prestigious awards in this profession. He is the 2010 recipient of the Steven D. Gold Award. It “honors professionals who have made significant contributions to state and local fiscal policy and whose work reflects Steve Gold's remarkable ability to span the interests of scholars, practitioners, policymakers, and advocates with integrity and evenhandedness.”

“I'm just honored to be getting this award named after him. It's the biggest honor of my career,” Olson says. “I'm just overwhelmed.”

Olson was the young, newly named chief economist of the Michigan Senate Fiscal Agency when he met Gold, one of the nation's foremost experts on state fiscal policy, at an NCSL meeting in 1982. Gold was the director of fiscal studies at NCSL, a prolific writer and internationally recognized tax policy expert with a passion for simplifying the complex.

The two had more than taxes in common. Olson received his economics undergraduate degree from the University of Michigan, where Gold earned his Ph.D. in economics. In a state where even the governor at the

time, William Milliken, decorated his office in U of M maize and blue, the Wolverine bond runs deep. And so it was for Olson and Gold. The U of M professor who helped Olson get his first job as chief committee aide to the Michigan House Taxation Committee knew Gold well. It was an enduring friendship and collaboration that spanned more than a decade.

“In 1982, I went to an NCSL fiscal meeting and got acquainted with Steve,” Olson says. “I was relatively young, and in many respects he took me under his wing and must have seen something, because I got involved in all sorts of things that he was involved with.”

One of those was a project on “Principles of a High-Quality State Revenue System,” sponsored by the Lincoln Institute. Olson, Gold and a small group of legislators and staff traveled across the county in the mid-'80s and published a hugely popular report.

Olson went on to become director of one of the country's most respected and influential fiscal agencies in a state whose economic woes are legendary. Gold left NCSL to direct the Center for the Study of the States at the Nelson A. Rockefeller Institute of Government at the State University of New York in Albany, and then to the Urban Institute in 1996 to co-direct a \$22 million project on “New Federalism.” Olson continued to read Gold's work and stayed in touch with him through NCSL meetings at which Gold spoke.

CELEBRATING GOLD

As staff chair of NCSL, Olson spearheaded an initiative to involve more minority legislative staff in the organization. He set up a committee that made recommendations to expand diversity. “I looked at the organization for many years, and it's no different than this office, quite honestly—it lacks diversity.

Karen Hansen is the editor of State Legislatures.



Gary Olson talks on the Senate floor with Senator Ron Jelenik.

I thought it was an excellent idea, very much needed. All organizations struggle with this same issue. So it was the one thing I would say I was proudest of.”

In 1996, just eight months after he joined the Urban Institute, Gold died of cancer at 52. He loved fiscal policy and had the ability to communicate the most arcane and complex economic ideas easily and understandably.

His life and work became the inspiration for an award to celebrate his legacy—the Steven D. Gold Award. It is given annually by the National Conference of State Legislatures, the National Tax Association and the Association for Public Policy Analysis and Management, three organizations to which Gold devoted much time and energy.

Olson is retiring from the Michigan Senate Fiscal Agency in December. He, too, has had a bout with cancer, an event that has changed his perspective on life and is another connection to Gold.

“I think I’ve been a better staff person from what I learned through working with Steve,” Olson says. “That is one of the points of NCSL, in my opinion. In people like Steve you have someone with knowledge who says, this is good policy, take it back home. I certainly learned some of that in my degrees

in college, but my real world learning came was more through interactions with people like Steve.”

GOOD-BYE WITH RESPECT

Olson and his agency have been key actors in the Michigan budget process.

“We have a very good reputation—an outstanding one—we’ve earned long before I became the director 20 years ago, but I think it’s grown even stronger,” Olson says. “What we say does carry a lot of weight. Even with a term-limited legislature, I think the new senators come in with an understanding of that.”

William T. Pound, NCSL’s executive director, said the award was well-deserved.

“Gary has made solid contributions to the professionalization of legislative fiscal staffing during some very difficult budget times in Michigan. He also found time to become a leader in the development of legislative staff programs nationally as an officer of NCSL,” Pound says.

“Gary encouraged others and was instrumental in the expansion of training opportunities, communication and services to legislative staff.

“His work and contributions are definitely in the tradition of Steve Gold, who provided assistance to so many legislators and staff, and he is a worthy recipient of this award.”

Pound says.

Olson is leaving after the election, in which 29 of 38 Michigan senators will be new, facing a budget situation Olson believes is being handed off to them.

“There’s a huge problem the new governor and next legislative leaders have to deal with. I think they tend to think it’s a lot easier than it is,” Olson says. The leading gubernatorial candidate is a businessman who says he’s going to “prioritize.”

“Whatever. I think we’ve been doing that for 10 years,” he says with a laugh. “But somebody else can do it, because I’m giving up prioritizing things.

“That’s the grim situation here. I think the worst is over in the economy here, but things are very shaky.”

Olson leaves with the respect of legislators on both sides of the aisle, in both chambers and among groups and organizations that care about the budget process. He jokingly says it’s his “body of work, my longevity if nothing else” that inspired the panel to choose him for the award.

Nevertheless, he says, “I had the utmost respect for Steve. He was certainly one of the national leaders on state and local fiscal policy. This award will be a great way to end my career.”

As distinguished a career, in its way, as Steve Gold’s.