

**CITY OF HOUGHTON
RESOLUTION 2025-1963**

**Resolution to Oppose Administrative Overreach
for example, in Reductions in Force of Civilian Federal Employees
and in Arbitrary Rate Change Notices for Indirect Costs of Research**

After a flurry of executive actions and proposals during the first five weeks of the current administration in Washington, many citizens have become alarmed by what appears to be executive-branch overreach and an apparent lack of respect for the separation of powers.

Many of President Trump’s executive actions derive from the Heritage Foundation’s [Project 2025](#), which Candidate [Trump disavowed](#) during the 2024 campaign. (See “[37 ways Project 2025 has shown up in Trump’s executive orders](#),” *Politico*, February 5, 2025.)

According to a February 19, 2025 [Gallup report](#), “Less than one month into his second term in office, President Donald Trump’s job approval rating is at 45% . . . 15 points below the historical average for all other elected presidents in mid-February since 1953.”

A. The Role of Government: *Laissez-faire* Economics (“the invisible hand”) vs. Keynesian Mixed Economy

To better understand disagreements about these executive actions it helps to understand divergent views on the proper role(s) of government in the economy.

The Preamble to [The Constitution of the United States](#) indicates that the Constitution is established “to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defense, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity.”

The experience of the Great Depression taught us that an unregulated, *laissez-faire* economy doesn’t automatically promote the general welfare.

In [The General Theory of Employment, Interest, and Money](#) (1936), British economist John Maynard Keynes (1883-1946) argued that “existing economic theory was unable either to explain the causes of the severe worldwide economic collapse or to provide an adequate public policy solution to jump-start production and employment.”

Hence, Keynes “spearheaded a revolution in economic thinking that overturned the then-prevailing idea that free markets would automatically provide full employment. . . . Keynesian economists justify government intervention through public policies that aim to achieve full employment and price stability.” (“[What Is Keynesian Economics?](#)” International Monetary Fund, undated.)

In addition to philosophical differences on the role(s) of government, our positions on government intervention depend on what's being regulated or promoted. For example, a corn farmer who opposes EPA regulations on pesticides might support [federal subsidies for ethanol](#).

B. Two Examples of Executive Actions that Have a Direct Impact on Our Community

1. Reductions in Force of Civilian Federal Employees

On February 11, 2025, President Donald Trump signed an [Executive Order](#) that instructed the heads of federal agencies to “promptly undertake preparations to initiate large-scale reductions in force (RIFs), consistent with applicable law, and to separate from Federal service temporary employees and reemployed annuitants working in areas that will likely be subject to the RIFs.”

The Congressional Research Service [reports](#) that Michigan has 29,610 civilian federal employees, 9,069 of whom work in [Michigan's 1st Congressional District](#). Consequently, this Executive Order puts at risk millions of dollars in federal funding in the City of Houghton, in Houghton County, and in Michigan's 1st Congressional District. This is not only a question of jobs lost but also of the invaluable public services that civilian federal employees provide.

For example, [Michigan's Great Lakes fishery](#) faces a crisis in the wake of these cuts, with experts warning “of a surge in invasive sea lampreys, which could devastate native fish populations and the region's \$7 billion fishing industry.”

2. Arbitrary Rate Change Notices and Indirect Costs of Research

A second executive action potentially undermines research at Michigan Tech. A February 7, 2025 notice from Acting NIH Director Matthew J. Memoli, “[Supplemental Guidance to the 2024 NIH Grants Policy Statement: Indirect Cost Rates](#)” (NOT-OD-25-068), ordered a cap of 15% for the indirect costs of research, such as facilities and administration. This was more than a 75% decrease from the previous rate cap. These indirect costs also filter down into the local community as university jobs and business sales of goods and services needed for research (hardware, tech supplies, etc.).

In response, on February 10, 2025, 22 states, including Massachusetts and Michigan, filed a [Complaint for Declaratory and Injunctive Relief](#) in the U.S. District Court, District of Massachusetts. Named as defendants were the NIH, Acting Director Matthew Memoli, the U.S. Department of Health and Human Services, and others. The Plaintiffs took this action

“to protect their states and residents from unlawful action by the National Institutes of Health (“NIH”) that will devastate critical public health research at universities and research institutions in the United States. Without relief from NIH's action, these institutions' cutting-edge work to cure and treat human disease will grind to a halt.”

In ruling on this appeal, a [February 10, 2025 order](#) by the Court specified that

“Defendants [National Institutes of Health, et al.] and their officers, employees, servants, agents, appointees, and successors are hereby enjoined from taking any steps to implement, apply, or enforce the Rate Change Notice (NOT-OD-25- 068) within Plaintiff States [Massachusetts, Michigan, etc.] until further order is issued by this Court.”

This enjoinder provides some relief to Michigan Tech, which manages approximately \$104 million in research expenditures through 15 federal agencies. In 2024, external funding accounted for over \$98 million of that research, and about 78 percent of that (~\$76 million) was from the federal government ([Keweenaw Report](#), January 29, 2025). Michigan Tech [Sponsored Awards by Source](#), Fiscal Year 2024:

- U.S. Department of Defense: 35.4%
- National Science Foundation: 18.2%
- U.S. Department of Energy: 11.8%
- U.S. Department of Health and Human Services: 9.0%
- U.S. Department of Transportation: 6.8%
- National Aeronautics and Space Administration: 5.2%
- U.S. Department of Agriculture: 4.5%
- U.S. Department of Education: 2.0%
- Other Federal Agencies: 7.1%

C. Separation of Powers and the Rule of Law

The essence of our democratic republic (see “[Is the United States of America a republic or a democracy?](#)”), enshrined in the Constitution of the United States, is the separation of powers between the legislative, executive, and judicial branches of government. As James Madison, the primary architect of the Constitution and our fourth president, wrote, “The accumulation of all powers, legislative, executive, and judiciary, in the same hands, whether of one, a few, or many, and whether hereditary, self-appointed, or elective, may justly be pronounced the very definition of tyranny” ([The Federalist Papers](#), No. 47, 1788).

- Article I, Section 1 of [The Constitution of the United States](#) grants all legislative powers to the Congress: “All legislative Powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.”
- Article I, Section 9, Clause 7 of the [Constitution](#) (the Appropriations Clause) grants Congress the power to approve spending in the federal budget: “No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law.”
- Article II, Section 3 of the [Constitution](#) (the Take Care Clause) delegates to the president the task of spending approved funds: “a President of the United States of America . . . shall take Care that the Laws be faithfully executed.”

In recognition of this separation of powers, “the nation’s courts have emerged as the major battleground over executive orders and actions by President Donald Trump, with more than 75

lawsuits seeking to block efforts to cut the federal workforce, fire watchdogs, restrict immigration and more.” (*The Washington Post*, February 20, 2025)

D. Therefore, Be It Resolved

In our oath of office, Houghton City Councilors solemnly swear to support the Constitution of the United States, the Constitution of the State of Michigan, and the Charter of the City of Houghton.

THEREFORE, be it resolved that the Houghton City Council opposes administrative overreach, including the large-scale reductions in force of civilian federal employees and in arbitrary rate change notices for indirect costs of research.

By way of a copy of this resolution, the council will convey our concern about executive overreach to our representatives in Houghton County, Michigan’s 1st Congressional District, the State of Michigan, and the U.S. Congress.

The foregoing resolution is offered by Councilor Craig Waddell and seconded by Councilor _____.

Yes:

No:

Absent:

Resolution Adopted February 26, 2025

CERTIFIED

Ann Vollrath, Clerk