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Transparency, public deliberations urged in state budget crafting

by AP

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BATON ROUGE - Louisiana officials should create an online state spending database, quit financing the array of local projects that lawmakers cram into budget bills and provide an annual list of big-ticket state liabilities, a panel of experts suggested Wednesday as recommendations to Gov.-elect Bobby Jindal on ways to improve government transparency.

They urged Jindal to push for lawmakers to eliminate behind-the-scenes budget haggling, provide more information on decision-making to the public and adjust spending priorities for construction projects funded by the state.

Bob Keaton, a retired longtime legislative budget analyst, said the state should use a formal estimating conference to develop the data used to build the budget: how many school children will be enrolled in public schools, how many prisoners are expected to be in state jails and how many patients are anticipated to seek care in state-run hospitals.

Though there is a process established for such estimates, it's not used, and agencies are left mainly to themselves to estimate how many people will seek their services each year.

"We need to have one set of numbers that are budget drivers," Keaton told a 47-member advisory committee Jindal created to guide the incoming governor on financial policies he should support when he takes office in January.

Keaton also suggested the governor's budget staff devise an annual report that describes the major pending liabilities facing the state, like the debt in the state-backed retirement systems, the backlog of road maintenance needs, the repair needs at state universities and the price tag for coastal restoration projects.

"There's a real reticence to do that because I think it's a scary thing," he said.

Keaton said the "fiscal state of the state report" would give the public a better understanding of all Louisiana's financial challenges, even as the state brings in record amounts of revenue and surpluses.

When questioned by panel members about certain budget assumptions included in Jindal's campaign literature, Keaton also tried to put those assertions in context.

He said while Louisiana ranks among the top states in the number of state employees per capita, the numbers are skewed because Louisiana operates a public hospital system that other states don't have.

And he said a significant portion of the budget growth — Jindal said the state's budget tripled in 12 years — is billions of dollars in direct federal aid to the state after hurricanes Katrina and Rita.

"If you just take the state funds and fees, I don't think you've seen that kind of growth rate in the budget," Keaton said.

Both Keaton and Jennifer Pike, a budget researcher for the nonpartisan Public Affairs Research Council, suggested ways for the state to shrink its spending on local projects that aren't state responsibilities — pet projects that lawmakers add into budget bills each year and that the governor signs.

"There's a real lack of transparency in which projects are being funded," Pike said.

Pike offered a list of suggestions PAR has pushed over the years to no avail, including the development of a single formula for filtering state aid to parishes, towns and cities that looks at local need and finances.

She said the governor and lawmakers should limit state aid for local projects to emergencies and create a state-financed revolving loan fund to help local governments pay for construction projects — leaving the state's annual construction budget bill to finance the long-term borrowing for state needs only.

"Quite frankly, the general obligation bonds of this state ought to be used for the general services of this state," agreed Dennis Stine, the chairman of the advisory council and former Gov. Buddy Roemer's top budget adviser.

Another government expert said Louisiana has a number of laws already on the books requiring disclosure and accountability procedures but doesn't always follow those requirements or provide easy access to the information.

Maurice McTigue, director of the Government Accountability Project at the Mercatus Center at George Mason University, suggested the governor create a searchable online state-spending database, similar to the databases established in at least eight other states.

"You are in good shape to make record progress in a number of these areas" with little expense and few changes to current law, he told the advisory panel.