

# NOW

BGR's Spotlight on Local Government Issues

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## A Step in the Wrong Direction

May 8, 2012

Last week, the House Appropriations Committee struck funding for the state Office of Inspector General (state OIG) from HB 1, Louisiana's proposed 2012-13 operating budget.<sup>1</sup> The appropriation should be reinstated.

An independent review of state government, as provided by the state OIG, is vital to fighting corruption and reducing waste. This is particularly true in a state with a history of corruption. The strengthening of the state OIG via statute several years ago was broadly considered a step in the right direction. It would take significant justification to defund this component of state government.

But the amendment cannot be justified for financial reasons. The budgeted expenditures for the OIG had been a mere \$1.7 million.<sup>2</sup> That amounts to a drop in a \$25 billion bucket.

And the amendment cannot be justified in the name of efficiency. Last year alone, the OIG identified more than \$3.2 million in fraud and waste.<sup>3</sup>

In fact, the amount the state OIG receives is already low relative to other OIGs and to the state's budget. The New Orleans OIG received \$3.7 million in general fund revenue alone for 2012, to oversee a city with a budget of \$876.2 million. When it begins operations, the Jefferson Parish OIG is expected to receive about \$1.2 million to oversee a parish government with a budget of about \$537 million. The state's budget is many times the size of either of those.

Defunding the OIG sends a negative message about Louisiana. More importantly, it is a step backwards. Louisiana needs to keep moving forward when it comes to probity and efficiency in government. Restoring the OIG's funding will help to make that happen.

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1 HCAHB1 2994 3464, Amendment No. 9.

2 HB 1 (Original) 01-102.

3 State of Louisiana, Office of State Inspector General: Annual Report, Fiscal Year 2010-2011, January 18, 2012, p. 1.