

Government Restructuring – or Reshuffling?

The DOA bill has died in the Senate. Did it deserve its fate?

It's been more than a month since we last saw the Department of Administration [bill](#) being debated in the legislature. Since then, the House and Senate have been working in conference committee to reach a compromise. On Wednesday the conference committee sent a bill to the General Assembly, but members of the Senate killed the bill late Thursday.

Some are unhappy about the result – lawmakers spent enormous amounts of time on the bill (it was first filed in December of 2010), and many portrayed it as a historical government reform. But no bill deserves to be passed simply in order to pass, and it's worth asking whether the legislation's final form was worth passing.

It wasn't.

Throughout much of the legislative process, the bill's supporters contended that it would “promote efficiency” and “save money.” But while saving taxpayer dollars is always important, the real need for government restructuring has to do with *power* and *accountability*. The legislature has too much of the former and not enough of the latter. The DOA bill would have done little or nothing about that problem: and indeed in some respects it would have made it worse.

Authority to issue bond debt

Currently, lawmakers can avoid responsibility for issuing debt by letting the Budget and Control Board do it. But the legislature – and only the legislature – is responsible for appropriating taxpayer resources, and when they do so foolishly, they should be held accountable.

So what was done about it? Lawmakers reshuffled agencies but still don't have to take any responsibility for bond debt.

The Bond Review Authority would handle all matters related to bonds for projects above \$500,000. Those under \$500,000 will be handled by the Joint Bond Review Authority and the Director of the Department of Administration. This Authority would have been comprised of the Governor, Treasurer, Comptroller General, and one member from both the House and Senate: in other words: a group that's strikingly similar to the current Budget and Control Board. Now, instead of hiding behind one state agency, the legislature can hide behind two state agencies.

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Mid-year Budget Cuts and Deficit Recognition

Lawmakers are generally happy to take credit for appropriating money, but they would rather avoid credit for cutting it – which is why, when there’s a budget shortfall, the unaccountable (and indeed practically anonymous) Budget and Control Board has authority to make cuts.

So what was done about it? Under the DOA bill, lawmakers could allow one unelected state official – the Director of the Executive Budget Office – to make mid-year budget cuts. This would have worsened an already bad structure: at least the Budget and Control Board consists of *elected* officials.

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One thing this bill did get right, however: the legislature would have been forced to vote up or down in a separate and distinct joint resolution whether a state agency may run a deficit. However, in the area of budget shortfalls, the bill shielded the legislature rather than making it accountable.

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Legislative Oversight of the Executive Branch

Lawmakers should mandate regular, objective, and public audits by the Legislative Audit Council on a schedule that is independently determined – not a schedule set by politicians. Currently, however, lawmakers simply call for audits when they’re inclined to.

What was done about it? The final bill would have made a bad situation worse.

The bill broadened legislative power through the creation of legislative “investigative committees” to ferret out perceived wrongdoing in executive agencies. These committees would have had authority to question and depose not only state employees but also *private citizens* if they deem them to have relevant information. (This, incidentally, was one of the few areas where House and Senate had no quarrel.) In addition, decisions regarding which agencies are “investigated” are left up to legislative leaders – the same ones who [control most of state government](#) already.

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Procurement Oversight

The Budget and Control Board exercises authority over procurement contracts. But there is no accountability in that system. Responsibility for purchasing goods and services for the state should lie with one person – the chief executive – whom the citizens of South Carolina can hold accountable for corruption or poor decision-making.

What was done about it? The DOA bill would have given some control over procurement to the executive, but would have retained the lion’s share for the legislature.

The final DOA bill would have given the Department of Administration (that is, the governor) oversight over all contracts related to Information Technology. But IT only amounts to roughly 35 percent of expenses generated through contracts, and the remaining 65 percent would have been overseen by the new three-member Procurement Oversight Board appointed by the Governor, the Treasurer, and Comptroller General. Again, in the event of a poorly handled state contract, citizens could hold no one person accountable.

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Revenue Projections / Budget Analysis

Currently, the Board of Economic Advisers, the Office of Research and Statistics, and the State Budget Office are all under the legislative/executive hybrid 5-member Budget and Control Board – meaning the legislature has undue influence over revenue projections and fiscal impact statements (i.e., statements about how bills will affect state revenue).

What was done about it? Nothing. They reshuffled agencies but did nothing about the problem.

Under the final DOA bill, lawmakers combined all three agencies into one new agency called the Revenue and Fiscal Affairs Office, to be overseen by the three-member Board of Economic Advisers, of which lawmakers control two appointments. Once again, a variety of agencies were “restructured,” but once the dust settles, it’s clear that legislative leaders have just as much control over revenue projections and budget numbers as before.

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Final Tally

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