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Budget Plan Once Again Misses Opportunity for True Reform and Savings *Treasurer Schroder Asks, "Where Is the Reform?"*

Baton Rouge, La. - The budget plan released Monday does not address the underlying problems with state government spending and misses an opportunity for true reform and savings, according to State Treasurer John M. Schroder.

"To this date, the majority of the budget conversation has focused on raising revenue," said Treasurer Schroder. "At a time when our economy struggles, and businesses and families are dealing with shortfalls, how can we consider raising taxes and expanding government? The rate of growth by government should never outpace the private sector. This is how you fix the budget problem. Grow the economy. More jobs equals more taxes paid."

One way Treasurer Schroder suggests moving the budget process forward is to increase transparency right now and open up the process so that Louisiana citizens can see how every dime is being spent.

"If Louisiana citizens could go through the budget and see how government has grown from year to year automatically whether we have the money or not, they wouldn't be happy," said Treasurer Schroder. "Before we raise taxes on our citizens, shouldn't we have proven to them that we have found every potential savings and that we are using their money in the wisest and most efficient way possible?"

Treasurer Schroder suggests that increasing transparency right now would help with the Governor's promise of no more gimmicks or smoke and mirrors in the state's budget. Transparency would show, for example, that the proposed state General Fund may

be less than it was 10 years ago, but there have been many years in between where the state spent far less than what is being proposed for 2019.

Transparency would also show that it is misleading to tout having a \$120 million surplus when \$100 million of that came from the state's savings account (the Rainy Day Fund) to fill a hole in the state's checking account (the operating budget).

In addition to improving transparency in government, some areas for savings and reform worth examining include the following:

- Review all expenditures, credits, rebates, and exemptions
- Collect unrecovered state debt, which the Office of Statewide Accounting Reporting and Policy estimates at roughly \$1.1 billion
- Revamp the Medicaid Program to reduce fraud and implement work requirements and co-pays
- Unlock dedications and remove unnecessary obstacles to prioritize state spending
- Reform the budget structure and process for long-term improvements. Louisiana has a history of spending every dime that we think we will have, and it has caused havoc on the budget.
- Adopt a pro-growth tax code that is simple, efficient and nationally competitive
- Reform capital outlay to focus on statewide infrastructure priorities

"These are just a handful of examples for savings and reforms, and I'm sure there are more out there if we look hard enough," said Treasurer Schroder. "This is a broken system, and we can't possibly in good conscience give it more money until it's fixed."

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