



## You Better Shop Around!

*Council on efficient government would bring common-sense budgeting to state*

### The Problem

Joe and Kathy Ray are on a tight budget these days. They have four kids in grade school, and saving for college sits at the top of their priority list. As frugal parents, they routinely shop around for the best deal—clipping coupons, bidding on new and used products at eBay, using online services to comparison shop for car insurance, getting bids from kitchen contractors in the Yellow Pages, or scouting out the most affordable family cell phone plan from the Sunday ads. Joe and Kathy take responsibility for their spending decisions. Their family's future depends on it.

Unfortunately, government tends to operate differently. For the most part, it routinely fails to perform one important budgeting task: regularly examining its activities and services to ensure they're provided in a cost-efficient way. After all, families have to become smart shoppers when budgets get tight. Why shouldn't government?

As a monopoly service provider, government usually faces no competition. As a result, it also faces few pressures to be efficient. Once a service or activity goes in-house, inertia makes it difficult to subject it to competition later. This lack of review has a big role in the failure of the state's spending decisions.

### Our Solution

Illinois government can defeat this inertia. Our elected officials in Springfield have an extraordinary opportunity to change the course of our state's failing economy and save it from complete fiscal collapse. The solution? A

strong efficiency review body with power to develop significant cost-saving performance and procurement guidelines.

Government efficiency councils have already seen success in Florida, saving taxpayers hundreds of millions of dollars. This idea is also being proposed in Arizona, where a bill has been introduced (SB 1466) to establish the strongest and most comprehensive government efficiency board in the nation.

### Why This Works

The Illinois Efficient Government Act (HB 4161) would establish a Council on Efficient Government (CEG) to help Illinois "right-size" government and drive reform. CEG's mission would be to promote transparent business practices in government and foster efficiency. Illinois's CEG would facilitate the regular review of state government activities with an eye toward improving government through competition and privatization.

A lack of budget discipline has made Illinois financially weak and fiscally unsustainable, resulting in an estimated \$11.5 billion deficit. The state government's deteriorating fiscal situation demands policy makers look for opportunities to shop around. Just because government is tasked with providing Service X doesn't mean the public sector offers the cheapest means of delivering that service. If taxpayers would get a better deal by contracting with a nonprofit firm or private company, policy makers should use similar opportunities before resorting to tax hikes or service cuts, which would only hurt families like Joe and Kathy Ray's.

Joe and Kathy must shop around for the best deal in order for their family to survive. Illinois state government should do the same.

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