



White Paper on Governmental Ethics and Constitutional Revision

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Executive Summary

Image plays an important role in economic development and Louisiana's image has suffered from a history of lapses in governmental ethics. Fortunately, the state has made progress in enacting laws on ethics, lobbying and campaign finance. However, further tightening of these statutes is needed to help prevent situations where the appearance, and in some cases, the reality of undue influence and conflicts of interest have arisen. A number of problem areas remain.

Legislators, for example, are allowed to contract with state agencies or local governments through competitive negotiation. The legislator's influence can be quite significant in a negotiated process as compared to a competitive bidding process. Legislators may also have business arrangements with lobbyists that can be used to circumvent the restrictions of gifts from lobbyists. And, while the law prohibits gifts to public servants, it makes significant exceptions for food and drink as well as entertainment for legislators.

Although the state's campaign finance law has relatively stringent limits, it allows certain activities that tend to raise suspicion. One is the acceptance of campaign contributions by legislators while they are in session. Another is when businesses make contributions to elect public officials who head the agencies that regulate them. On one hand, the business is seen as trying to influence the regulation; and, on the other, it may feel obligated to contribute or face retaliation.

There are several problems involving the use of campaign funds by candidates and elected officials. Candidates can presently switch contribu-

tions made to run for one office to a campaign for another office. Also, elected officials may control political committees that support other candidates.

Although the law presently requires the governor and candidates for governor to file a detailed personal financial disclosure report, there is no similar requirement for other elected state officials, legislators, and candidates for such positions. Business relationships that may create a conflict of interest, or at least that appearance, go unreported unless the media expends great effort to uncover them.

The major omission from the state's lobbying law is that it does not apply to the executive branch. Lobbying of state agencies can often be as important as lobbying the Legislature. In addition, lobbyists are not required to provide detailed reports on their spending and those who hire lobbyists are not required to report their lobbying expenses at all.

The state has relatively strong public records and open meetings laws, but the general public and public servants often do not understand their rights and responsibilities. In addition, citizens who have complaints have no formal means of resolving them except to sue in court—a costly and time-consuming process.

Other problems with ethics implications that need to be addressed include a number of chiefly ministerial offices that remain elective, threats to the stability of state audit and investigatory agencies, and a lack of competitiveness in contracts for certain professional and personal services.

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This is the final report in PAR's four-part white paper series to inform the issue debates of the 2003 gubernatorial and legislative campaigns. The white papers address the topics of higher education, state finance, K-12 education, and governmental ethics/constitutional revisions.

PAR Recommendations

LEGISLATORS' CONTRACTS

No. 1 Prohibit legislators, their spouses and children or their businesses (in which they have substantial ownership) from contracting with the state or any political subdivision unless the contract is competitively bid.

No. 2 Prohibit legislators, their spouses and children or their businesses (in which they have substantial ownership) from engaging in any business relationship with a registered lobbyist.

CAMPAIGN CONTRIBUTIONS DURING LEGISLATIVE SESSIONS

No. 3 Prohibit legislators from soliciting or receiving campaign contributions during a period beginning 30 days before a legislative session and ending 15 days after adjournment.

CAMPAIGN CONTRIBUTIONS TO REGULATORS

No. 4 Prohibit a regulated business or the owner, director, officer, or key employee of a regulated business from making political contributions to elected officials directly responsible for regulating the business

or

limit to \$500 any contributions made to candidates for, or those currently holding, elected offices with regulatory responsibility.

ANONYMOUS CONTRIBUTORS

No. 5 Provide penalties for making campaign contributions through or in the name of another.

SHIFTING CAMPAIGN FUNDS

No. 6 Prohibit transfers of campaign funds from one candidate to another or among candidates' political committees and prohibit the use of one politician's excess campaign funds to support another candidate.

No. 7 Prohibit the use of contributions in a campaign for an office other than the one for which the contribution was made.

ELECTED OFFICIALS' PACS

No. 8 Prohibit elected officials from creating or controlling political committees that make campaign contributions to other elected officials or candidates for other offices.

PERSONAL FINANCIAL DISCLOSURE

No. 9 Require full, annual, personal financial disclosure reports from all elected state officials, legislators and candidates for such positions.

GIFTS TO PUBLIC SERVANTS

No. 10 Prohibit legislators and other public servants from receiving anything of value from lobbyists or persons doing business with or regulated by the government.

PAR Recommendations (Continued)

LOBBYING

- No. 11** Extend the lobbying law to cover lobbying of the executive branch.
- No. 12** Require lobbyists' reports to include information regarding their compensation, the subject matter lobbied and itemized spending related to the subject matter lobbied.
- No. 13** Require those who hire lobbyists to semi-annually report their total lobbying expenditures, names of the lobbyists hired, the amounts paid to the lobbyists and the subjects lobbied.

PUBLIC CORRUPTION HOTLINE

- No. 14** Create a corruption hotline in the Office of Attorney General.

APPOINTIVE POSITIONS

- No. 15** Make the positions of commissioner of agriculture and commissioner of insurance appointive.
- No. 16** Make the position of tax assessor appointive.

LEGISLATIVE AUDITOR

- No. 17** Maintain the scope of authority and independence of the Office of Legislative Auditor.

INSPECTOR GENERAL

- No. 18** Give statutory authority to the Office of Inspector General.

CONTRACTS FOR SERVICES

- No. 19** Require a competitive selection process for all professional, personal, consulting and social services contracts—a Request for Proposal (RFP) for contracts over \$50,000 and a Request for Qualifications (RFQ) or RFP for contracts under \$50,000.

SUNSHINE LAW EDUCATION AND ENFORCEMENT

- No. 20** Expand sunshine law education efforts by the Office of Attorney General.
- No. 21** Create a voluntary, non-binding mediation process for sunshine law disputes, preferably in the Office of Attorney General.

CONSTITUTIONAL REVISION

- No. 22** Convene a constitutional convention to undertake a complete revision, review each article, consider comprehensive reforms (i.e., the tax structure) and produce a concise statement of basic law by removing statutory material and excess detail.
- No. 23** Organize the constitutional convention with a majority of the membership composed of non-legislators elected by the voters from districts and the remaining members appointed to represent each of the three branches of state government.

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Finally, a comprehensive review of the state's constitution is needed. Optimally a constitutional convention would produce a much leaner, concise statement of basic law that would, among other things, consider:

- a broad-based, balanced, fair and growth-oriented state tax structure.
- greater fiscal flexibility for local governments.
- a more streamlined state organizational structure.

- fewer elected state and local officials.
- improved governance of higher education.
- a reduction in the dedication provisions.
- a more restrictive amendment procedure.

Using expert public/private task forces, a comprehensive review and analysis of governmental structures, programs and financing should be undertaken by the new administration to provide a blueprint for change.

Introduction

A state's image is one of the many factors businesses consider in deciding where to locate or expand operations. In order for Louisiana to successfully compete in the global marketplace, it must create an environment where businesses can expect ethical and fair treatment.

Although the state has made great strides in improving ethics policy and enforcement, Louisiana's image still suffers from certain negative aspects of its

past. This report focuses on the status of governmental ethics and the need for constitutional revision in Louisiana and offers recommendations for improvement. The report identifies areas of the state ethics code, campaign finance law, and lobbying law that can be strengthened as well as changes to certain elected and appointed offices, state contracting, and the sunshine laws that will improve the image of the state and enhance economic development.

Recommendations for Reform

Legislators' Contracts

Prior to 1995, legislators could contract with state or local agencies but not with the Legislature itself. In 1995, an amendment to the Ethics Code prohibited legislators from contracting with the state or quasi-public entities unless the contracts were awarded through a competitive bid, competitive negotiation or some other competitive selection process.

Competitive negotiation is a much less rigorous process than competitive bidding—it allows more room for subjective evaluation. By allowing them to negotiate contracts with state agencies, the current law opens the door for legislators to use their positions to influence the decision. In addition, the law does not limit legislators' ability to contract with local governments. However, legislators are required to report their contracts with the state or local governments.

For FY 2001-02, legislators reported having \$2,361,073 in contracts with state and local governments. Legislators are not required to identify the type of process used (bid versus competitive negotiation) in local government contracting so all local contracts are included. The total does not include contracts held by legislators' spouses.

Because of the actual or perceived influence legislators wield, they should only be allowed to contract with the state or local governments when there is a competitive bid process.

Recommendation No. 1 Prohibit legislators, their spouses and children or their businesses (in which they have substantial ownership) from contracting with the state or any political subdivision unless the contract is competitively bid.

The law does not prohibit legislators from having business arrangements with lobbyists. Clearly, such arrangements are a way to circumvent the ban on gifts and give lobbyists special access to legislators.

Recommendation No. 2 Prohibit legislators, their spouses and children or their businesses (in which they have substantial ownership) from engaging in any business relationship with a registered lobbyist.

Ban Contributions During the Legislative Session

The campaign finance law does not prohibit legislators from receiving campaign contributions during the legislative session. The law only requires that the state Board of Ethics be notified in writing thirty days prior to any fund-raising events where contributions are received. Allowing contributions during sessions creates a potential for abuse and fuels the perception that special consideration can be purchased.

Recommendation No. 3 Prohibit legislators from soliciting or receiving campaign contributions during a period beginning 30 days before a legislative session and ending 15 days after adjournment.

Campaign Contributions to Regulators

Several state agencies headed by elected officials, notably the Public Service Commission (PSC) and the Department of Insurance, play an important role in determining the rates the businesses they regulate may charge. The Department of Agriculture also regulates aspects of certain agri-businesses.

Currently there is no prohibition against a regulated business making campaign contributions to help elect the politicians who head the agency that regulates them. This common practice creates an unhealthy relationship where the official may feel beholden to aid contributors or companies may feel obliged to contribute. Even if no special consideration is ever given to the contributor, there is always the suspicion of favoritism. There is also the fear of retaliation for those who do not contribute.

Prohibiting such contributions would help remove the suspicion and lessen the potential for undue influence to be gained.

Campaign contributions figured prominently in the criminal convictions of two former insurance commissioners and one former agriculture commissioner.

Banning campaign contributions by certain types of contributors usually raises questions of equal protection and free speech. However, the special nature of the relationship between regulated businesses and their regulators suggests that the state has a compelling interest in eliminating any political advantage that those being regulated might gain by contributing to their regulators.

As an alternative, a lower contribution limit might be set for offices with regulatory functions. This would address concerns that a ban would leave other interested parties able to make contributions while the regulated business would not. For example, an electrical utility company regulated by the PSC could not make a campaign contribution whereas owners of a merchant power plant (not regulated by the PSC) could contribute.

Recommendation No. 4 Prohibit a regulated business or the owner, director, officer, or key employee of a regulated business from making political contributions to elected officials directly responsible for regulating the business

or

limit to \$500 any contributions made to candidates for, or those currently holding, elected offices with regulatory responsibility.

Anonymous Contributors

The campaign finance law prohibits contributing to a candidate or political committee through or in the name of another, directly or indirectly. There is an exception for members of an organization or corporation that is not created primarily for the purpose of influencing an election.

In a recent election, a political committee (commonly referred to as PAC) was organized to campaign against a candidate. The person organizing the PAC also set up three limited liability companies (LLCs), which allegedly had no other apparent purpose except to funnel contributions of undisclosed amounts from undisclosed

contributors to the PAC. The PAC was required to report the amounts and names of all contributors—in this case, that meant only reporting the names of the LLCs. The LLCs did not report the names of those contributing money to them, relying on the exception provided for members of corporations that are not primarily created to influence elections.

If it were determined that the LLCs in this instance were, in fact, political committees, those making contributions to them would have violated the prohibition against giving contributions through the name of another. However, through an apparent drafting oversight, there is no penalty attached to the violation. A penalty provision would reduce the likelihood of sham PACs in the future.

Recommendation No. 5 Provide penalties for making campaign contributions through or in the name of another.

Shifting Campaign Funds

The campaign finance law limits the amounts individuals may contribute to candidates (i.e. \$5,000 to a candidate for a major state office in one election). In addition, the same limits apply to transfers from one politician's political committee to another's committee. The law specifically allows the use of "excess campaign funds" to support a candidate. The state Board of Ethics recently ruled that one elected official could use surplus campaign funds, without limit, to support a candidate, as long as there was no prior discussion with the candidate.

Recommendation No. 6 Prohibit transfers of campaign funds from one candidate to another or among candidates' political committees and prohibit the use of one politician's excess campaign funds to support another candidate.

The campaign finance law allows candidates to use contributions made in support of a campaign for one office to run for another office. A candidate should only be able to use campaign contributions for the office for which the contribution was made. Unexpended contributions should either be returned to contributors on a pro

rata basis after making a reasonable deduction for expenses or given to a charitable organization.

Recommendation No. 7 Prohibit the use of contributions in a campaign for an office other than the one for which the contribution was made.

Elected Officials' PACs

Currently, elected officials may create political committees that make contributions to other elected officials or candidates. For example, the speaker of the house or the senate president may create a PAC that contributes to other legislators thereby enhancing their influence. The law should prohibit PACs controlled by elected officials and prevent the creation of legislative caucus PACs. This prohibition is not intended to affect political party committees.

Recommendation No. 8 Prohibit elected officials from creating or controlling political committees that make campaign contributions to other elected officials or candidates for other offices.

Personal Financial Disclosure

A 1999 analysis of financial disclosure for legislators by the Center for Public Integrity (CPI) found that half of the states, including Louisiana, did not require lawmakers to disclose financial information that would show real or perceived conflicts of interest. Another 12 states had basic disclosure requirements, but with loopholes that allowed interests to be hidden. However, 14 states required disclosure of legislators' incomes, assets, clients, family interests and ownership of real property.

Louisiana law presently only requires a detailed personal financial disclosure report from the governor and candidates for governor.

Recommendation No. 9 Require full, annual, personal financial disclosure reports from all elected state officials, legislators and candidates for such positions.

Gifts to Public Servants

Under the Louisiana Ethics Code, public servants are prohibited from receiving “things of value.” However, numerous exceptions to the prohibition allow public servants to receive food, drink or entertainment from persons doing business with the state while a guest of that person. Another exception allows legislators and other elected officials to also accept tickets to cultural and sporting events (if less than \$100 per event or \$500 a year per donor.)

Nationally, the most stringent lobbying laws forbid certain public servants (including legislators and executive branch officials) from receiving anything (including food and drink) from lobbyists. According to the National Conference of State Legislatures (NCSL), only three states have this “no cup of coffee” rule. Nearly a quarter of the states prohibit gifts of any monetary value, with exceptions for food and beverages. Almost half of the states set statutory limits on the amount that may be spent on various items. Some states rely entirely on disclosure instead of restrictions.

While it is difficult to believe a legislator’s vote could be influenced with an occasional meal, the gift obviously provides the giver with access to the decision maker that others do not have. Requiring the legislator to buy his or her own meal would likely limit these contacts.

Likewise, persons doing business with an agency or who are regulated by an agency should not be dining and principals and staff in that agency. The appearance of a conflict of interest is an obvious problem whether or not favoritism actually occurs.

A reasonable exception to the “no cup of coffee” rule would be for food or drink consumed at a charitable, civic or community event attended by the public servant in his or her official capacity.

Recommendation No. 10 Prohibit legislators and other public servants from receiving anything of value from lobbyists or persons doing business with or regulated by the government.

Executive Branch Lobbying

Louisiana’s lobbying law currently covers only the legislative branch and does not apply to the lobbying of officials and employees in the executive branch. The lobbying laws in 35 states cover paid efforts to influence executive action. Routine communication with an official’s office or communication by a private citizen expressing a view on an issue is not generally considered lobbying.

Decisions made within the executive branch can be as important as those made in the Legislature. Applying the lobbying law to the executive branch would cast a light on the efforts of special interests to influence those decisions.

Recommendation No. 11 Extend the lobbying law to cover lobbying of the executive branch.

Lobbyist Reporting

Louisiana’s lobbying law requires lobbyists to register and identify their employers. A semi-annual expenditure report is required showing total expenditures for the period, total spending on specific legislators (if over \$50 in one occasion or over \$250 for the period) and the cost of social functions. The Ethics Administration Program makes this information available at its office and on its Web site.

Louisiana lobbyists are not required to disclose significant information that would be most useful in understanding what they are doing. This information, which is required in many other states, includes the nature and amount of compensation, the subject matter being lobbied, itemized spending and amounts spent on the family of a public servant.

More detailed lobbyist reports would allow the public to better understand what role lobbyists and their employers play in the legislative process. Current reporting requirements leave questions as to what legislation lobbyists attempt to influence or what individuals, besides legislators, benefit from lobbyist expenditures. More detailed lobbyist reports would answer those questions and give the public a clearer picture of how the legislative process is impacted by lobbyist’s money.

Recommendation No. 12 Require lobbyists' reports to include information regarding their compensation, the subject matter lobbied and itemized spending related to the subject matter lobbied.

Recommendation No. 13 Require those who hire lobbyists to semi-annually report their total lobbying expenditures, names of the lobbyists hired, the amounts paid to the lobbyists and the subjects lobbied.

Public Corruption Hotline

Strong ethics enforcement is dependent on the investigation and prosecution of public corruption at both state and local levels. Historically, the federal government has taken the lead in prosecuting public corruption. However, a shift in federal resources to combating terrorism may lead to a decline in the number of public corruption investigations.

The attorney general plays a role in this arena as the state's top lawyer and law enforcement authority. A special division in the Office of Attorney General (OAG) is dedicated to investigating public corruption.

Tips from the public are an important source of information for law enforcement. An advertised public corruption hotline in the OAG could prove useful in identifying corrupt practices. The hotline could function in a similar manner to the office's current telephone hotline for consumer affairs and fair housing issues.

Recommendation No. 14 Create a corruption hotline in the Office of Attorney General.

Insurance and Agriculture Commissioners

The 1974 state constitution recognized that there were too many elected statewide officials but failed to make the cut. Instead, the Legislature was authorized to make four elected positions appointive. The superintendent of education and the commissioner of elections

have since been made appointive. However, the commissioners of insurance and agriculture remain elective positions.

Louisiana is among the minority of states that continue to elect officials heading these departments. Only twelve states presently elect their agriculture and insurance commissioners. All others provide some type of appointment process, typically granting that authority to the governor.

Because these offices chiefly serve in a ministerial capacity, the commissioners should be appointed rather than elected. Appointment would also solve one aspect of the long history of indictment and/or convictions plaguing both offices by eliminating problems stemming from campaign contributions from entities regulated by or doing business with the departments.

Recommendation No. 15 Make the positions of commissioner of agriculture and commissioner of insurance appointive.

Tax Assessor

Louisiana's tax assessors are elected. Unfortunately, assessors are often better politicians than they are technicians and the result can be inequitable taxes and inadequate support for local services. Proper assessment is crucial because local government bodies depend on property tax revenues for much or all of their support. Taxes approved by the voters should be collected fairly and uniformly according to the law. This process can be undermined by improper assessment practices. Property assessment is a highly technical process requiring specialized knowledge and experience. There is no reason or justification for injecting politics and the attendant potential for favoritism and voter pandering into the process.

Louisiana has many capable assessors who attempt to do a professional job within a highly political environment. An assessor who is doing the job properly does not make policy, does not set tax rates and does not involve political or personal considerations in assessment decisions. Election is an inappropriate way to fill this purely ministerial position. Assessors should be selected based only on their expertise and experience as professional property appraisers.

Recommendation No. 16 Make the position of tax assessor appointive.

Legislative Auditor

The Office of Legislative Auditor examines the financial records of the state and investigates allegations of waste and corruption. Several bills aimed at weakening the office both in the scope of its work and its independence were introduced during the last legislative session. Further, questions from some legislators to legislative auditor candidates revealed their hope of choosing a less aggressive chief. Ultimately, the Legislature failed to make a permanent appointment leaving in question the legal status of the interim appointment. The current authority of the Office of Legislative Auditor should be preserved.

Recommendation No. 17 Maintain the scope of authority and independence of the Office of Legislative Auditor.

Inspector General

The Office of Inspector General investigates allegations of waste, mismanagement, and fraud in the executive branch of the government. The office was created in 1988 by executive order and has been re-authorized by subsequent governors.

The inspector general should be a statutory office appointed by the governor and confirmed by the Legislature. The inspector general qualifications should also be spelled out by statute.

Recommendation No. 18 Give statutory authority to the Office of Inspector General.

Contracts for Services

In 2002, the state let \$1.2 billion in contracts for professional (e.g., lawyers), personal (e.g., artists), consulting (e.g., public relations) and social (e.g., therapists) services.

Currently, state law generally exempts state agency contracts for professional and personal services from competitive bidding or competitive negotiation. However, consulting services contracts worth more than \$50,000 require some type of competitive negotiation, such as a Request for Proposal (RFP) process. Social services contracts worth over \$150,000 in a twelve-month period or more also require an RFP unless an exemption applies.

Contracts for services are not bid out like construction contracts because competence is more important than cost. Although a competitive process is not required in most cases, an agency must negotiate “with the highest qualified person” for all contracts that the agency head determines in writing are “fair and reasonable to the state.” The agency head must take into account (in order of priority) professional or technical competence, technical merits of offers and compensation. The law does not define “highest qualified” nor does it specify what is to be negotiated.

While it does place extra demands on agencies and potential contractors, competition is the best way to avoid political patronage and favoritism in government contracting. The RFP process, now required for most consulting and some social services contracts, should also be applicable to professional and personal services contracts.

The RFP process requires the agency to draw up a formal description of the work to be done and request proposals from potential contractors. A Request for Qualification (RFQ) process would be less rigorous than the RFP and useful for smaller contracts. The RFQ process requires an agency to at least contact several potential contractors. Both the RFP and RFQ are far more competitive than allowing an agency head to call one person and negotiate a contract.

Recommendation No. 19 Require a competitive selection process for all professional, personal, consulting and social services contracts—a Request for Proposal (RFP) for contracts over \$50,000 and a Request for Qualifications (RFQ) or RFP for contracts under \$50,000.

Sunshine Law Education

Louisiana is fortunate to have relatively strong public records and open meetings laws. However, more needs to be done to educate citizens, elected officials and public employees concerning their rights and duties under the laws. The law directs the Office of Attorney General to provide this education.

For example, adding sunshine law information to the attorney general's Web site could provide quick answers to many questions and help prevent problems from developing. A summary of the laws, frequently asked questions, model request for information forms, attorney general opinions and relevant court decisions would be very useful.

Recommendation No. 20 Expand sunshine law education efforts by the Office of Attorney General.

Sunshine Law Enforcement

Several states have taken steps to improve a citizen's ability to assert his or her rights under the sunshine laws. Some states have created new departments or independent agencies that serve as the first stop in sunshine law disputes.

For example, Florida created a voluntary program in which the attorney general's office mediates sunshine law disputes. Non-binding mediation is clearly a good "first step" before engaging in costly litigation; however, the right to file suit is still preserved.

A voluntary mediation program similar to Florida's would give Louisiana citizens a simple and inexpensive way to resolve public records and open meetings problems they encounter. Currently, their only recourse is through the courts.

Recommendation No. 21 Create a voluntary, non-binding mediation process for sunshine law disputes, preferably in the Office of Attorney General.

Constitutional Revision

Louisiana has a bad habit of turning its constitution into a collection of glorified statutes. The constitution of 1921 became bloated with 536 amendments. The state's last unlimited constitutional convention pared the document down from 255,000 to 35,000 words. However, the resulting constitution of 1974 has since been amended 111 times. Another 58 proposals were rejected.

Some of the recent amendments produced important fiscal reforms. Others provided benefits or protections for very narrow special interests, security for special funding arrangements and even more limits on fiscal flexibility.

The Legislature's willingness to tamper with the constitution has increasingly forced voters to decide issues that are highly complex, specialized, applicable to a single place or time, extremely minor or, even purely symbolic. As amendments are added, the concept of a relatively permanent statement of basic law for governing the state fades.

After three decades, it would again be useful to undertake a comprehensive review of the state's constitution. Optimally, a convention would produce a much leaner, concise statement of basic law that would, among other things, consider:

- a broad-based, balanced, fair and growth-oriented state tax structure.
- greater fiscal flexibility for local governments.
- a more streamlined state organizational structure.
- fewer elected state and local officials.
- improved governance of higher education.
- a reduction in the dedication provisions.
- a more restrictive amendment procedure.

Some observers object to holding an unlimited constitutional convention fearing that it might undo some of the recent progressive reforms, further hobble government flexibility or add new protections for special interests. They also suggest that much of the detail in the constitution was placed there because of a general mistrust of the Legislature that still prevails.

While there is no way to ensure an ideal revision, advance preparation would greatly improve a convention's potential for achieving a positive result. Using expert public/private task forces, a comprehensive review and analysis of governmental structures, programs and financing should be undertaken by the new administration to provide a blueprint for change. This

blueprint would form the basis from which the convention could begin working and would serve to focus deliberations.

A constitutional convention is the only practical way to consider broad and comprehensive changes. The amendment process is far too fragmented to deal effectively with the major issues facing the state. Achieving a complete overhaul of the state government—its operation, organization, tax structure and relationships with local government—will require revisions to the constitution that only a convention can provide.

Recommendation No. 22 Convene a constitutional convention to undertake a complete revision, review each article, consider comprehensive reforms (i.e., the tax structure) and produce a concise statement of basic law by removing statutory material and excess detail.

The constitutional convention should be broadly representative of the state's population and interests while including members with experience in governmental issues. The convention should not, however, be controlled by members of the Legislature. The convention should include members selected by and from the three branches of state government to bring the different perspectives to bear on the deliberations. The majority of the membership should be elected by the voters from districts. Legislators should be prohibited from running for these seats.

Recommendation No. 23 Organize the constitutional convention with a majority of the membership composed of non-legislators elected by the voters from districts and the remaining members appointed to represent each of the three branches of state government.

Conclusion

A state's image is an important factor in business location decisions. Unfortunately, Louisiana's image has been tarnished and every possible step must be taken to assure potential investors that they will be treated fairly and equitably and that the state has left the problems of the past behind.

While unethical behavior cannot be eliminated by legislation, strong ethics laws and active enforcement can help reduce its occurrence. The recommendations offered in this report would strengthen the Ethics Code, campaign finance law and lobbying law. They would also strengthen the offices that enforce those laws, add new prohibitions to reduce conflicts of interest, and require greater disclosure to improve transparency in government.

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"PAR is an independent voice, offering solutions to critical public issues in Louisiana through accurate, objective research and focusing public attention on those solutions."

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