

1889 INSTITUTE

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1889 INSTITUTE CALLS FOR RESTRUCTURING BOARDS AND COMMISSIONS

Potential for corruption is currently baked in

OKLAHOMA CITY, Okla. (May 29, 2018) – The 1889 Institute, an Oklahoma state policy think tank, has published “Baked-In Corruption: The Need to Reform Boards and Commissions.” It argues that legislatures give too little thought to the institutional structures of boards and commissions. Special interests are given outsize representation on bodies intended to regulate those very interests. The result is that the regulated become the regulators. Legislatures must stop creating governance structures where conflicts of interest, self-dealing, and groupthink are to be expected.

The report criticizes licensing boards in general. It also calls out the Health Department Board, recently wracked by scandal, the Health Care Authority, which defends implausibly high Medicaid enrollments, the Oklahoma Bar Association, and various education-related boards.

“It’s really surprising that so little thought is given to how boards and commissions are constituted,” said the study’s author, Dr. Byron Schlomach, economist and Director of the 1889 Institute. “We’ve essentially given licensing boards, health boards, and educational boards a license to self-deal,” he said.

Schlomach went on to say that the report is less about any specific board or set of boards than it is about carelessness when it comes to institutional structure. “This is not an Oklahoma-only thing,” he said. “This report criticizes institutional arrangements that prevail nationwide, where legislatures are talked into creating institutional structures that can do real harm to their constituents,” said Schlomach.

Recommendations in the report include:

- more straightforward governance, eliminating some boards and commissions and putting one person in charge;
- replacing current board/commission members with informed and educated members of the general public not directly involved in the industry regulated;
- greater reliance on market competition; and
- creating incentives for private self-regulation.

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About the 1889 Institute

The 1889 Institute is an Oklahoma think tank committed to independent, principled state policy fostering limited and responsible government, free enterprise and a robust civil society. The publication, “Baked-In Corruption: The Need to Reform Boards and Commissions,” can be found on the nonprofit’s website at <http://www.1889institute.org/regulation.html>.