

Policy Brief

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ACCOUNTABILITY BEGINS NOW How Transparency Leads to Better Government

Do Delawareans deserve to know where their tax dollars go?

Assessing the state legislature's resistance to expanding the Freedom of Information Act to include the General Assembly; placing inflated price tags on transparency legislation; and the continued resistance to reforming state government practices all indicate that many in our government answer emphatically, NO.

Over the past several years, open government legislation has gained notoriety and bi-partisan support across the nation. Delaware, with the exception of the posting of General Assembly votes online and the streaming of House proceedings, has lagged behind.

Thus far in 2009, the General Assembly has introduced the following transparency bills:

- House Bill 89 This act would require information concerning the distributions from the Delaware Strategic Fund to be posted on the Delaware Economic Development Office's website.
- House Bill 87 This act would require each school district and charter school to post its checking account activity (other than payroll checks) on its website. It would also require that salary and benefits to be posted by job title at the beginning of each fiscal year.
- House Bill 90 This act would require the creation of a searchable budget database website to allow taxpayers to access details of how their tax dollars are being spent.
- House Bill 86 This bill would require each state agency to post its checking account activity (other than payroll checks) on its website. It would further require salary and benefits to be posted by job title at the beginning of each fiscal year.
- House Bill 88 This act seeks to require the creation and maintenance of a searchable website for contracts entered into by school districts and charter schools.

Similarly, the General Assembly has begun the process of expanding Delaware's Freedom of Information Act law to include itself – which it exempted when the legislation was initially passed. It remains to be seen whether the State Senate will pass House Bill 1 to make this desirable change a reality.

As the Illinois Policy Institute notes, "In 2006, when transparency legislation passed on the federal level, a spokesman for then Senator Barack Obama noted that the bill 'just made so much intuitive sense that no one could understand how Congress could not pass it.' In states across the nation, the feeling is mutual, and low-cost, effective transparency programs have been put into place. Not in Delaware. These programs have served as win-wins for both legislators and citizens."

The time has come for a similar program here in Delaware.

Transparency is popular across party lines. Delawareans – parents, workers, taxpayers, seniors, educators, students and the media – deserve a comprehensive program for open information, open access and increased accountability. Government in Delaware should have nothing to hide and citizens should not have to face hurdle after hurdle to obtain information.

Delaware needs to implement a comprehensive transparency program, requiring the state government, local governments and school districts to open their books in a one-stop shop for convenience and accessibility. As stated, Delaware's General Assembly has failed to make progress on this cause.

The Caesar Rodney Institute is taking it upon itself to make this type of website a reality and will pursue this course even if our governments change their tune.

Many states have passed transparency legislation or are in the process of doing so. The trend is to create searchable, easy-access websites that detail all state expenditures, contracts, payrolls and more. (See Appendices A, B, C and D for a summary of state transparency initiatives to date).

Delaware Spends

In lieu of a state program creating a transparency website, the Caesar Rodney Institute is creating DelawareSpends.com (Delaware Spends). Delaware Spends is a comprehensive transparency website that is a user-friendly, one-stop access point that will eventually include all contracts, expenditures, vendor payments and payroll for the state, municipalities, counties and school districts.

Information in the database will be presented in a manner that is searchable and intuitive to users. At a minimum, the database will allow users to:

- 1. Search and aggregate funding by any element of information;
- 2. Ascertain through a single search the total amount of state funding awarded to a person, group or organization by agency; and
- 3. Download information yielded by a search of the database.

For an example of a similar database successfully implemented, please visit <u>www.EmpireCenter.org</u>.

Currently, Delawareans face a bureaucratic maze when searching for simple information about state government spending. In many cases, the data is there, but it is not easily digestible. A single, unified website will serve as a valuable resource for not only citizens, but for policy makers as well. And, most importantly, this database will benefit everyone, regardless of political affiliation.

Transparency websites have proven to be quite popular. The Missouri Accountability Portal received over 1.77 million site visits in its first four months. In Delaware, following the same percentage of use, we hope to garner over 200,000 visits in the same time period.

Sunlight on Schools

In addition to Delaware Spends, the Caesar Rodney Institute is in the early stages of preparing SunlightonSchools.com (Sunlight on Schools). This website will be the location to find and compare school district expenditure data and performance measures such as reading and math proficiency, graduation rates, SAT and ACT scores and costs per pupil. Eventually, citizens will also be able to compare schools to other schools throughout the state.

For a similar website, please visit <u>www.SunshineonSchools.org</u>.

Making Transparency a Reality

A coordinated and comprehensive transparency website need not be an expensive project. The cost of increasing openness and accountability is far less than the cost of not knowing when, where and how tax dollars are being spent. As the *News Journal* has noted, "With government spending at a premium in this financial crisis, it's all the more reason the use of the public's money should be opened to all who have access to a computer" (Editorial, March 31, 2009).

The full extent of the outrageous nature of the fiscal notes attached to the transparency bills in the Delaware General Assembly becomes obvious when looking at the cost in other states. Oklahoma estimated the cost of its fiscal accountability program at \$40,000 for implementation and \$250,000 for long-term maintenance; Nebraska created its searchable database for \$38,000; and Missouri implemented the program out of existing funds without raising taxes or fees. In the end, the price tag applied in Delaware is of no consequence as the Caesar Rodney Institute is accomplishing what these bills intend to do without a single taxpayer dollar.

Every Quarter Counts

The first state quarter for Delaware featured the likeness of Caesar Rodney on his ride to Philadelphia to sign the Declaration of Independence. Indeed, every quarter counts. Every penny counts. Transparency is widely popular across the political spectrum. It is our hope that our efforts will provide the much needed sunlight into Delaware state government and beyond - sunlight that will result in comprehensive and systemic reform of how all of our government entities operate.

APPENDIX A: State Transparency Legislation As of March 26, 2009

Alabama

Open Alabama – created by Executive Order 46; signed by Governor Bob Riley on February 11, 2009. http://www.open.alabama.gov/; live since March, 2009.

Alaska

Checkbook Online – created by cooperation of Governor Sarah Palin with the Department of Administration. <u>http://fin.admin.state.ak.us/dof/checkbook_online/index.jsp;</u> live since January, 2008.

Georgia

Open Georgia – created by SB 300 sponsored by Senator Chip Rogers; signed into law in May, 2009. <u>www.open.georgia.gov/</u>; live since January, 2009.

Kansas

KanView – created by HB 2457 sponsored by Representative Kasha Kelley; signed into law in June, 2007. <u>www.kansas.gov/kanview/</u>; live since March, 2008.

Kentucky

Open Door – created by Executive Order 2008-0508; signed into law on June 6, 2008. http://opendoor.ky.gov/Pages/default.aspx; live since January, 2009.

Louisiana

LaTrac – created by SB 37 sponsored by Senator Joel Chaisson and Executive Order BJ 2008-2; signed into law on January 15, 2008. <u>www.doa.louisiana.gov/latrac/index.cfm</u>; live since September, 2008.

Maryland

Created by HB 358 sponsored by Delegate Warren Miller; signed into law in May, 2009. http://www.spending.dmb.maryland.gov; live since January, 2009.

Missouri

Missouri Accountability Portal – created by Governor Matt Blunt's Executive Order 7-24; signed into law on July 11, 2007. <u>www.mapyourtaxes.mo.gov</u>; live since July, 2007.

Nevada

Nevada Open Government – created by Governor Jim Gibbons' Executive Order EO-2008-03-18; signed into law on March 18, 2008. <u>www.nevadaspending.com</u>; live since January, 2009.

Oklahoma

OpenBooksOK – created by SB 1 sponsored by Senator Randy Brogdon; signed into law in June, 2007. <u>www.ok.gov/okaa/</u>; live since January, 2009

South Carolina

South Carolina Spending Transparency – crated by Governor Mark Sanfords' Executive Order 2007-14; signed into law on August 31, 2007. <u>https://ssl.sc.gov/SpendingTransparency</u>; live since March, 2008

South Dakota

OpenSD.gov – crated by the Office of Finance and Management per Governor Mike Round's instructions. http://open.sd.gov/; live since September, 2008

Texas

Window on State Government – created by HB 3430 sponsored by Representative Mark Strama; signed into law in June, 2007. <u>www.window.state.tx.us/comptrol/expendlist/cashdrill.php</u>; gradually rolled out in 2007.

Washington Washington State Fiscal Information – crated by SB 6818 sponsored by Senator Eric Oemig; signed into law in April, 2008. <u>http://fiscal.wa.gov/</u>; live since December, 2008.

APPENDIX B: Sites Created by Other State Constitutional Officers since 2007 As of March 26, 2009

Arizona

State Treasurer Dean Martin publishes the State Shared Revenue distributions database; <u>www.aztreasury.gov/distributions.html</u>.

Georgia

Secretary of State Karen Handel launched the Transparency in Government Initiative allowing taxpayers to view some spending information for her agency; <u>www.sos.georgia.gov/TIG/</u>.

Illinois

State Comptroller Dan Hynes hosts a website that tracks political contributions made by companies that have state contracts; <u>www.OpenBook.ioc.state.il.us</u>.

Kentucky

Secretary of State Trey Grayson launched Check it Out Kentucky, an online checkbook register for the secretary's office; www.sos.ky.gov.

Michigan

State Secretary of State Terri Lynn Land has posted her agency's expenditures online; www.michigan.gov/sos.

Attorney General Mike Cox also posts his office's expenditures online; <u>www.michigan.gov/ag</u>.

Nebraska

State Treasurer Shane Osborn gives information on some state expenditures. www.NebraskaSpending.com.

New York

State Comptroller Thomas DiNapoli hosts Open Book New York; www.osc.state.ny.us.

Attorney General Andrew Cuomo has launched Project Sunlight; www.sunlightny.org.

Pennsylvania

State Treasurer Robin Wiessman hosts a contract library; <u>www.patreasury.org/Right-to-Know/RTKWelcome.htm</u>.

Rhode Island

State Treasurer Frank DiCaprio hosts the Treasury Checkbook Online; http://www.ri.gov/opengovernment/treasury/.

The Department of Administration hosts the DOA Transparency Portal; http://www.ri.gov/opengovernment/DOA.

APPENDIX C: Executive Orders/Passed Legislation Awaiting Implementation

As of March 26, 2009

North Carolina

Executive Order No. 4 signed by Governor Bev Perdue in January, 2009.

Arizona

SB 1235 sponsored by Senator Tom O'Halleran; signed into law on July 7, 2008.

Hawaii

HB 122 sponsored by Representative Markus Oshiro; became law in 2007.

Minnesota

HF 376 sponsored by Representative Erik Paulsen; signed into law in June, 2007.

Mississippi

HB 101 substitute HB 725 sponsored by Representative Toby Barker; signed into law in April, 2008.

Ohio

HB 420 sponsored by Representative Tom Brinkman; signed into law in December, 2008.

Utah

SB 38 sponsored by Senator Wayne Niederhauser; signed into law in March, 2008.

APPENDIX D: 2009 State Legislative Spending Transparency Efforts

As of March 26, 2009

Alabama

SB 204 – mandates the construction of a searchable online database featuring all state expenditures including contracts and grants.

Arizona

SB 1142 – establishes a searchable online database for all state and local expenditures; also mandates that all cities, towns and counties establish similar transparency websites.

Arkansas

HB 1053 – creates a searchable website cataloging all state expenditures and bond proceeds; also includes electronic copies of all state grants, contracts and subcontracts.

Colorado

HB 1288 - mandates the publication of state revenue and expenditures in a single searchable website.

Connecticut

HB 5097 - aims to make the state budget public.

Delaware

HB 89, HB 87, HB 90, HB 86 and HB 88 – combined, the legislation will require the State and each school district and charter school to post checking account activity online; requires the State to post a searchable budget database online; requires a searchable database of all contracts entered into by the school districts and charter schools; and requires information concerning the distributions of the Delaware Strategic Fund to be posted on the Delaware Economic Development Office website.

Illinois

HB 0194 – aims to establish a "single searchable updated database website" containing information on every entity that receives state funds.

HB 0035 – establishes the Illinois Accountability Portal to include all State employee and consultant salaries, expenditures, tax credits and contracts.

Iowa

HF 74 and SF 102- creates a single website database for taxpayers to search state expenditures and all tax rates across the state.

Kansas

SB 226 – expands the Kansas Taxpayer Transparency Act to include the states 300 school districts; also mandates the publication of each legislator's votes on any bill during the legislative session.

Michigan

HB 4043 – establishes a searchable website containing information on all state expenditures

HB 4150 and HB 4121 – mandates the creation of a searchable website cataloging all state expenditures including purchases, contracts and grants.

Montana

SB 241 – aims to create a searchable state website cataloging revenue, appropriations and expenditures of state funds.

New Jersey

S 445 – creates a state public finance website to include all revenues, expenditures and compensation for state employees, as well as state bond debts.

New Mexico

SB 159 – proposes the creation of an online searchable budget database including expenditures of state and local governments.

North Dakota

HB 1377 – seeks to establish a searchable database of state expenditures including the author, recipient, source of funds and purpose.

Oregon

HB 2500 – would creates a searchable website detailing comprehensive information on government revenues and expenditures including recipients of funds, location, purpose and performance outcome; also includes salary information as well as links to state agency transaction register.

HB 2037 - creates a public, online, searchable database for all government contracts.

Pennsylvania

SB 105 – mandates the creation of a searchable online budget database to include all grants, contracts, appropriations, tax exemptions and tax credits.

SB 107 – establishes a searchable online database featuring the salaries of Commonwealth Agency employees and mandates the creation of similar sites by all local jurisdictions.

Tennessee

HB 301 and SB 509 – mandates that the Department of Finance and Administration create a searchable website publishing all state taxpayer investments to include all contracts, grants and appropriations.

HB 246 – mandates the creation of a single searchable website cataloging all state expenditures including grants, contracts, appropriations and tax credits.

Texas

HB 1307 – mandates that schools post all expenditures, checks written and credit card transactions online within one month.

HB 1314 - mandates that schools post their expenditures quarterly.

Utah

SB 18 - mandates that municipalities provide information and records for public view.

Virginia

SB 936 and HB 2285 – creates a searchable website containing all of Virginia's revenues and expenditures.

Wyoming

HB 144 - creates a searchable online database of state expenditures, audits and budgets.

Source: American for Tax Reform, Center for Fiscal Accountability