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OPENING THE BOOKS IN ILLINOIS: BASIC TRANSPARENCY FOR BETTER GOVERNMENT

(Chicago, IL.) Do Illinois citizens deserve to know where their tax dollars go? Less than ten years ago, a state audit found that many of our public officials didn't think so. More than two-thirds of requests for public documents, the study found, were turned away at local offices. More than a quarter of them were denied altogether. One researcher told a story of a county sheriff who, in response to a request for jail records, "wadded up a copy of the state's freedom of information law," declaring, "I don't have to tell you nothing."¹

A dramatic example, certainly, but one that clearly illustrates the injustice of blocking citizens from public information. Over the past few years, transparency legislation has swept the nation as a low-cost, bipartisan approach to better government. Illinois, with a few exceptions—its online contract database, Open Book, and its appropriations inquiries database—is far behind. HB 473, a more comprehensive transparency act, stalled in the Senate, leaving many citizens left to struggle with intimidating procedures and a bureaucratic maze to get basic information on their school, city council, or state government. Meanwhile, even the government itself has no real tracking device for spending: as a recent Auditor General report revealed, the total amount of state-funded programs in Illinois is a "mystery."²

In 2006, when transparency legislation passed on the federal level, a spokesman for Sen. Barack Obama (D-IL) 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. These programs have served as a win-win for both legislators and citizens. The time has come for a similar program here in Illinois.

Transparency is popular across party lines, and for good reason. Illinois citizens—parents, workers, taxpayers, and seniors—deserve a comprehensive program for open books and open access to crucial information. Illinois government should have nothing to hide, and citizens should have nothing to fear from seeking basic information. Nor should they have to jump through hoops to get that information.

Illinois needs to implement a full, comprehensive transparency program, requiring that state and all local governments receiving state funds open up their books in one easy-access website. This program is low-maintenance, popular, and easy to enact. It is also long overdue.

Opening the Books: The Basics of Comprehensive Transparency

In 2006, President Bush signed the Federal Funding Accountability and Transparency Act into law, co-sponsored by Senators Tom Coburn (R-OK) and Barack Obama (D-IL). The act created an online, searchable database of expenditures which essentially allows citizens to "Google their tax

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dollars.” Soon after, in 2007, states across the nation followed suit. Kansas became the first state to enact legislation mandating a website detailing state expenditures (their site will be available in March of 2008), and Minnesota, Oklahoma, Texas, Hawaii, South Carolina, and Missouri soon followed. (See Appendix A for a summary of state transparency efforts to date).

Many of these states have put a basic transparency model into place—a searchable, easy-access website that details all state expenditures, contracts, grants, and checks—that has been a tremendous success. We have detailed this model below.

Open Illinois: Proposed Transparency Program

A comprehensive Illinois transparency program should mandate the creation of a timely, searchable website that lists every contract let and every check paid by state government. It would include all expenditures, including contracts and grants, and will provide ready access to the details supporting such payments, their purpose and who authorized the payment. The database should include the following:

1. The amount, date, authorizer, payer, and payee of all state expenditures;
2. Details and purpose of payment, including check numbers;
3. All state contracts, agreements, and grants;
4. All vendors used and the contracts pertaining to those vendors;
5. A listing of state expenditures by:
 - a. object of expense with links to the warrant or check register level; and
 - b. to the extent maintained by state agency accounting systems in a reportable format, class and item levels.

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

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

For an example of a similar database successfully put into place in Texas, visit:

<http://www.window.state.tx.us/comptrol/pendlist/cashdrill.php>

To see Missouri’s successful open records website, visit:

<http://www.mapyourtaxes.mo.gov>

Currently, citizens in Illinois face a bureaucratic maze when searching for simple information about state government. A single, unified website will serve as a valuable resource for not only citizens, but for policy makers as well—and for people from both sides of the political aisle.

Transparency websites have also proven to be popular and widely used. The Missouri Accountability Portal, for instance, collected over 1.77 million hits in its first four months.³

Making Transparency a Reality

A well-run, coordinated, comprehensive transparency website need not be an expensive project—and, as Oklahoma State Senator Randy Brogdon recently pointed out, “Any cost for implementation is far less than the cost of not knowing where the tax dollars are being spent.”⁴ Here in Illinois, as the Auditor General’s recent report confirmed, the opportunities for savings are significant.

Estimated costs of transparency programs vary from state to state. In Oklahoma, the fiscal impact statement estimated costs for the website at around \$40,000, with another \$250,000 for long-term maintenance. Just next door to Illinois, meanwhile, Missouri Governor Matt Blunt implemented the Missouri Accountability Portal (www.mapyourtaxes.mo.gov) out of existing revenues, without adding any additional tax dollars.

Partnerships are also available for transparency programs. Americans for Tax Reform notes that “companies like Google are already partnering with several of the states to improve search functions on government websites.” These partnerships help to further defray implementation costs.

Illinois can customize its solution based on the state’s existing online infrastructure. In addition, sample legislation is available from the American Legislative Exchange Council, ready for customization as well. With a budget topping \$50 billion, however, and with undocumented programs hiding from sight, transparency is both affordable and necessary. Even better, in the long term, transparency allows for more efficient use of tax dollars—something Illinois citizens from both sides of the aisle will applaud.

The Bottom Line

Transparency is a widely popular, bipartisan reform that will inject much-needed sunshine into Illinois state government. States around the nation are moving towards full online transparency, creating low-cost solutions with wide popular support. Illinois should implement a similar transparency program with a comprehensive, up-to-date website as outlined above—a program that will serve as a win-win for both legislators and citizens.

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¹ Society of Professional Journalists. “Freedom of Information Toolkit,” <http://www.spj.org/foitoolkit.asp>

² Illinois Policy Institute, “Auditor General Report: State Has No Record Of Its Own Programs,” November 17, 2007.

³ “South Carolina Governor Wins Broad Support for Spending Transparency Order,” Sandra Fabry, *Budget and Tax News*, February 1, 2008.

⁴ “State Spending Website Needed,” Tom Coburn and Brandon Dutcher, *The Oklahoman*, October 18, 2006.

APPENDIX A: State Transparency Legislation

KANSAS

Sponsored by Rep. Kasha Kelley, Kansas's HB 2368 passed in 2007 as an amendment to the state budget. The bill mandates a single, searchable and publicly available website to be managed by the state's Department of Administration. The bill also created a Public Finance Transparency Board. The site covers annual expenditures (including contractual services), revenues and bonded indebtedness. Website will launch in March of 2008 and will include data from fiscal year 2002 and onward.

HAWAII

Sponsored by Rep. Marcus Oshiro (D), Hawaii's transparency bill (Act No. 272; HB 122) passed in 2007. The program mandates a free, publicly available and searchable website administered by the state's Department of Budget and Finance. The site includes "state awards" including, grants, subgrants, loans, awards, cooperative agreements, other forms of financial assistance, contracts, subcontracts, purchase orders, and task orders. The site will be established before January 1, 2009.

MINNESOTA

Rep. Erik Paulsen (R) sponsored HF 548, passed in 2007, which created a free and public website with a searchable database of state contracts, including grants. The site is due to launch in early 2008.

MISSOURI

With Executive Order 7-24, Missouri Governor Matt Blunt put Missouri's transparency program into place in 2007. The Missouri Accountability Portal is a free, web-based catalogue of all government spending, grants, and contracts since 2007. Managed by the Commissioner of Administration, the site launched in July of 2007 and has received millions of hits since then.

OKLAHOMA

Senate Bill 1, codified into law in 2007, was sponsored by state Senator Randy Brogdon (R). Administered by the Office of State Finance, the Taxpayer Transparency Act provides for a free, single, searchable website listing all state grants, contracts, certain tax refunds, payments made under Oklahoma jobs programs, expenditures from constitutional reserve fund, and a full "Tax Expenditure Report." The site is due to launch in early 2008.

SOUTH CAROLINA

Through executive order, South Carolina Governor Mark Sanford established the state's transparency act in 2007. It calls for a free, unified, searchable website run by the state Comptroller General's Office. In addition, each cabinet agency must establish a searchable page on its own website for specific agency expenditures. The sites include all appropriated or non-appropriated funds by a state agency in forms including but not limited to grants, contracts, and subcontracts. All specific agency expenditures included. The sites will launch in March of 2008.

TEXAS

Sponsored by Rep. Mark Strama (D), Texas's transparency bill—HB 3430—was codified into law in 2007. It calls for a single searchable and publicly available online database run by the Office of State Comptroller and featuring all state expenditures including contracts and grants. The site launched in October of 2007.

VIRGINIA

In 2005, State Senator Walter Stosch (R) introduced Virginia's transparency legislation, which calls for a single, searchable and publicly available website run by the Auditor of Public Accounts. The site, which launched in 2005, includes expenditure, revenue and demographic information from the ten most recently ended fiscal years in the Commonwealth.

Source: Americans For Tax Reform