



## The Local Government Transparency Act: SB37

*“An informed citizenry is the only true repository of the public will.” -Thomas Jefferson*

### The Problem

Taxpayers deserve to know information about the governments they fund. Illinois has thousands of units of local government, but key information about most of them is not readily available to average citizens.

Technology has created an unprecedented opportunity for governments of all sizes to make information publicly available at no incremental cost. While society is one decade into the internet age, most government agencies do not take the proactive approach of providing online access to basic, vital community information.

No comprehensive, statewide standards for what type of information should be posted online currently exist for local government. This has led to huge differences in the variety and quality of information that counties, school districts, municipalities, libraries, park districts and other government bodies make available online to taxpayers.

As part of its “Local Transparency Project,” the Illinois Policy Institute has conducted audits of 87 local government bodies using a “10-Point Transparency Checklist.” The Institute has measured the availability of online information about: employment contacts for elected and administrative officials; public meetings; accessing public records using the Freedom of Information Act; budgets; audits; expenditures; employee salaries and benefits; contracts; lobbying; and taxes and fees.

To earn a passing grade in the Institute’s audits, governments must score at least 60 out of 100 points. Government agencies can score up to 10 points in each of the above categories. To score well in seven of the categories (employee salaries and benefits, public meetings, budgets, audits, expenditures, contracts and lobbying), government bodies must post information from the most recent five years.

Unfortunately, the results of the Institute’s audits have not been very promising. Only 15 of the 87 local government agencies audited to date (17 percent) have earned a passing grade, and only two have earned a grade of “A,” which represents a score of 90 percent or above. The average score is a dismal 39.2 percent.

### A Solution

Clearly, higher standards must be set. Senate Bill 37, introduced by Sen. Dan Duffy, R-Lake Barrington, establishes standards that every taxpayer-funded local government must meet. If SB37 is passed, taxpayers will be able to find the following key facts about any local government in Illinois:

- **Contact information for elected and senior administration:** Officials are elected to represent their constituents, and administrative staffers are knowledgeable resources who provide important constituent services. In order to effectively perform their jobs, these officials should be engaged in regular

dialogue with the public. Making contact information readily available online will make these public officials as accessible as possible.

- **Notice of regular and special meetings:** To stay informed and engaged in the democratic process, the public must know when a public body meets and what issues will be discussed. The public also should receive timely reports about what actually occurred at public meetings in the form of meeting minutes.
- **How to request information using the Freedom of Information Act, or FOIA:** While a website with comprehensive transparency will substantially decrease the public's need to file FOIA requests, it is still important for citizens to know how to access additional public information. FOIA requests provide an important means through which the public can obtain information regarding the activities of government agencies. This process should be transparent and give the public multiple ways to submit.
- **Annual budget:** Budgets tell taxpayers how much of their money governments plan to spend. They show what goals and priorities a government established for the year and future years. Budget details also serve as a way for taxpayers determine how the government performed in relation to past years.
- **Financial reports and audits:** An audit reveals how well the government performs on their original budget goals, according to common professional standards. Governments are required to have audits conducted – it should follow that they make each audit report automatically available to the public.
- **Local ordinances:** Each unit of local government has developed for itself unique ordinances and operating rules. This information should be online, just as state government posts its statutes and administrative rules online.

- **Application procedures for building permits and zoning variances:** For residents to understand and follow ordinances, they should have proactive, online access to exactly what those ordinances are. Equally important is making available online the appropriate rules and procedures to apply for building permits and zoning variances.
- **Information concerning employee compensation:** Salaries and benefits typically represent the largest expenses for most bodies of government. Government employees work for the citizens and taxpayers. Citizens should have a right to know how much in compensation they are paying each of their employees as well as knowing the number of employees each body of government has.
- **Contracts with lobbying firms:** If the unit of government engages in lobbying activities or pays association or membership dues to any lobbying associations, that information should be disclosed on the government agency's website. This will allow the public to make sure what is being lobbied for is in the community's best interest and the costs are reasonable.
- **Taxes and fees imposed by the unit of local government or school district:** Citizens should have ready access to tax and fee information. Not only is it important for citizens to know the costs of government, readily available information helps increase collection rates.
- **Expenditures:** Online access to a checkbook register, or bill list, provides timely and pertinent information about government operations to the citizens and taxpayers. Proactive online disclosure of expenditure information deters waste, fraud and abuse, and increases the chances of rectifying problems once they occur.

*Senate Bill 37, introduced by Sen. Dan Duffy, R-Lake Barrington, establishes standards that every taxpayer-funded local government must meet. If SB37 is passed, taxpayers will be able to find the following key facts about any local government in Illinois.*

- **Rules governing the awarding of contracts:** To award contracts in a fair and equitable manner, it is important to proactively post those rules, or request for proposals, for all to see online. This can increase the pool of candidates to bid on contract, potentially lowering the cost and increasing the quality of work done.
- **Bids and contracts worth \$25,000 or more:** Contracts – and all bids made for public contracts – should be available for review so the public can evaluate the details. This is the literal definition of doing public business in an open manner.
- **Campaign contributions made by a vendor:** The public deserves to know information about vendors who hope to receive public money. Vendors’ campaign contributions should be posted alongside with contract. This will help the public determine if campaign contributions played any role in a contract being awarded unfairly.

Senate Bill 37 expands upon items listed in the Illinois Policy Institute’s “10-Point Transparency Checklist” (see above). Additionally, the legislation includes requirements for disclosing campaign contributions made by a vendor, ordinances, contract rules, and building permits and zoning variances application procedures.

Of the 14 items highlighted in the legislation, 13 are documents that local government agencies should already have records for or created. The only new information that a local government agency would be required to collect and disclose is information about campaign contributions made by a vendor to officials and candidates for that body. Even then, candidates for office are already required to report this information to the State Board of Elections so the information may already be available.

The vast majority of the transparency categories (nine) only require local government agencies to post information on an annual basis or less frequently. Of the remaining categories,

two (ordinances and contractor donations) would impose a quarterly posting requirements. The remaining three categories, (notice of regular and special meetings, bids and contracts, and expenditures) are normal procedural documents and can easily be posted online for citizens to view.

#### **Why This Works**

Without statewide transparency standards, there is little incentive for local government agencies to proactively provide information to their citizens. Illinois Policy Institute transparency audits have revealed huge variances in what information is actually posted online by local agencies. Every citizen deserves open government.

If a government agency already has a website, the cost of posting financial documents online is almost nothing. Documents can be uploaded with a few clicks of a button. Bandwidth is no longer a concern with a number of online vendors, including docstoc.com and scribd.com, which allow anyone to publish documents online for free. Those documents can then be embedded or linked to a website for use by a wide audience.

Proactive online transparency should be a normal process of all local government agencies. With advancements in technology the costs of sharing information is approaching zero, making it easier than ever for government to post basic financial information online.

*Proactive  
online  
transparency  
should be  
a normal  
process of  
all local  
government  
agencies.  
With  
advancements  
in technology  
the costs  
of sharing  
information  
is  
approaching  
zero.*