



Local Government Efforts and State Neighbors Shine While IL State Government Stalls in the Shadows

Imagine you're about to have heart surgery. Would you want your doctor operating on your heart in the dark? Or without looking at your x-ray first? Without an x-ray, he wouldn't know where to operate, the severity of your sickness or understand exactly what he needs to do in order to save your life. You would not want your doctor operating on you without knowing as much information about your condition as possible.

Well, that's what Illinois government is doing: operating without an x-ray and functioning in the dark. The state budget continues to face a daunting deficit, out-of-control spending, and lacks the tool (transparency) to measure what programs work and what programs do not. The state has little accountability in its decision-making process, and corruption charges and pay-to-play politics have further tainted any trust left in elected officials.

Transparency Efforts

Local initiatives encouraging transparency in government spending are sprouting up across the state of Illinois and moving its towns, villages, and cities in the direction of more accountable and open government.

To mention a few among many, the City of Bloomington, Elmhurst Park District, Reed Custer School District, and Illinois Valley Community College, post expenditures online.¹ Local efforts have taken an extraordinary lead on the path to better government and blown past a stalling Senate Rules Committee, which sits on transparency legislation (Illinois Accountability Portal, HB4765) that unanimously passed the House back in Spring 2008. The legislation would require the state to post all its expenditures online in an easily searchable, itemized database and list who authorized the spending.

Not only are local efforts in Illinois taking the lead on transparency, but a large number of states across the country, including neighbors to the west, such as Oklahoma, Kansas, and Missouri, have also launched comprehensive transparency.² While the state of Illinois takes no action, 25 other states have already passed transparency legislation in the last two years. The list will grow quickly. Will Illinois join it?

Time and money waste away while the Senate Rules Committee stalls on HB4765. Illinois can afford neither. Still, Senate leadership has two possible opportunities to act soon on HB4765 by 1) voting in the Senate Rules Committee or 2) amending bills in the veto session (November 12, 2008) and getting to a floor vote.

Illinois needs transparency in government

now. As a first step to getting Illinois back on track, transparency would help alleviate the long list of problems facing Illinois and assist in reforming current Illinois government into a better, more accountable and open government.

X-ray Machine

Transparency in government allows the public to look inside the details of government spending and helps them more clearly understand where tax dollars go – and to whom.

Right now, the public, and most legislators, have little to no idea where tax dollars are going or whether programs are working well or poorly. Implementing transparency is the first step to making Illinois government more cost-efficient, accountable and aware of its spending decisions.

Cost

Often wrongly cited as a roadblock to implementing transparency, the cost of transparency does not reach outlandish or impossible amounts. Transparency does not demand big spending. Rather, transparency offers a low-cost tool to put government back on track and back into the hands of citizens.

Implementing transparency cost Oklahoma \$40,000, Kansas about \$100,000 and Missouri, an estimate of \$293,140. In other cases, states could feel no fiscal impact, such as the case in Virginia, which had an estimated “minimal” to “no fiscal impact” because it used existing resources.³

As unwilling as the Illinois Senate Rules Committee has been to pass transparency, many Illinois citizens would like their elected officials to be as slow to spend taxpayer dollars. While transparency might require modest spending to implement, it will help expose and eliminate wasteful

spending, and the savings from more efficient and accountable government will make the initial cost of implementing transparency worthwhile.

Accountability

Transparency shines light on government spending, which makes elected officials more accountable to the people and deters corruption and waste. No transparency means no accountability.

An obvious and terrible lack of accountability in Illinois government has resulted in inept budget management and a serious debt– at the expense of taxpayers. Budget problems stem from a lack of clarity about spending. Transparency would inject sunlight into the budget, open it up to public scrutiny, and provide more clarity for legislators who work through a lot of paperwork day in and day out. Posting expenditures online puts pressure on public officials to act more responsibly with tax dollars and compels them to do a better job.

Trust

Confidence in Illinois’ elected officials has plummeted. Transparency would help heal public trust by letting people inside the government process. Citizens need transparency to restore trust in their Illinois representatives. And, Illinois representatives need considerable public relations help. Transparency could provide both.

Anything closed off stirs up suspicion. Illinois’ closed-off government only adds to the current, merited distrust the people have of their state government. Transparency not only sheds light on bad spending, but also helps explain why, in certain cases, spending might be necessary. People need better understanding of how government works, and how it spends money. Transparency can provide that understanding.

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Results

Transparency alleviates waste and promotes efficiency. It establishes a set of accounts that provide a way to measure results and determine what programs work and what programs do not. Transparency educates government and the public about what works, what does not, what success looks like, and what failure looks like. By revealing government process, transparency fosters better government.

Many other states have taken up transparency policy and passed legislation requiring all state expenditures to be posted online in an easily searchable database. In the following pages, this brief will discuss three transparent states, Kansas, Missouri, and Oklahoma.

Illinois simply needs its leaders to stand up and act. Everything is ready. Illinois has a transparency bill (HB4765), public support, and the serious need to clean up the state's budget mess. State government can get back on track, and it starts with the first step of implementing transparency in the state government.

Other State Examples

Kansas

"Efforts to provide transparency in government are designed to make that information available to everyone. I am proud that Kansas was the first state to commit to making the budget easily searchable. Transparency in spending will encourage competition for funding, force improvement in how those dollars are spent and clarifies for citizens how their governments serve them."- Sen. Kasha Kelley

Led by State Senator Kasha Kelley, Kansas first became transparent in 2007 (HB2693) and successfully renewed transparency legislation (HB2730) on February 14, 2008. After some maneuvering and a recorded vote in the Senate, Governor Kathleen

Sebelius signed the Kansas Transparency Act into law on April 22, 2008. A sunset was placed on the bill, so Kansas will have to reauthorize it in 2013.

On March 1, 2008 the KanView website, www.kanview.gov, launched and became the "the online solution that brings better visibility, openness, and accessibility to state government financial activity for Kansas taxpayers." It cost an average of about \$100,000 to develop KanView, and the Department of Administration manages the site.⁴

KanView brings better visibility, openness, and accessibility to taxpayers by including the following financial activity of Kansas State Government:

- 1) Annual expenditures, including agency disbursements, bond debt payments, salary and wages, contractual services, commodities, capital outlay, debt service, aid to local units of government, assistance and benefits, capital improvements
- 2) Annual Revenues representing agency receipts and deposits into funds established within the state treasury, including taxes, agency earnings, revenue from the use of money and property gifts, donations, and federal grants, other revenues
- 3) Annual bond indebtedness
- 4) Any other relevant information specified by the Secretary of Administration with consultation and advice from the Public Finance Transparency Board.

Alan Cobb, state director of Americans for Prosperity in Kansas, who pushed for and testified in favor of Kelley's bill, explained the bipartisan support, "Anybody, no matter right or left, wants responsible and effective and responsive government, and this will certainly help that," Cobb

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said. "Nobody wants the government to be hiding things, and this is certainly not a 'conservatives only' issue by any means."⁵

Oklahoma

"I believe this is one of the most important bills ever passed for openness in government. We should make it as easy as possible to track exactly how their tax dollars are being appropriated, because those dollars come from the citizens of Oklahoma. Senate Bill 1 will make that happen."

- Sen. Randy Brogdon

After the passage of federal legislation requiring government to implement transparency and create a website of all federal expenditures, U.S. Sen. Tom Coburn and Brandon Dutcher, vice president for policy at the Oklahoma Council of Public Affairs, quickly initiated action towards implementing transparency in their home state of Oklahoma.

Sen. Randy Brogdon, Taxpayer Protection Caucus Chair, sponsored the Taxpayer Transparency Act (SB1) which required Oklahoma to establish an OpenBooks website listing all relevant information regarding government grants, contracts, subcontracts, tax refunds, rebates or credits, and expenditures from the Constitutional Reserve Fund.⁶

OpenBooks (www.openbooks.ok.gov) launched on December 28, 2007 and cost \$40,000.⁷ Citizens can look up financial information by agency or by "Function of Government" which indicates the primary duties, responsibilities and services performed by each agency of state government.

By signing the bill, the Governor Brad Henry gave Oklahomans the ability to keep an eye on government spending simply by looking online. SB1 established a free, single, searchable website listing all state grants, contracts, certain tax refunds,

payments made under the OK jobs programs, expenditures from constitutional reserve fund, and a full "Tax Expenditure Report."

Sen. Brogdon explains, "Anytime there is openness in government, the elected officials feel the pressure to do the right thing. The 'Taxpayer Transparency Act' is a check on the politicians and a huge benefit to the taxpayers of Oklahoma."

Missouri

"Missouri families deserve to know how their state government is spending their hard-earned tax dollars." The MAP Internet site is a great tool that allows all Missourians to become fiscal watchdogs and hold all of Missouri's elected officials accountable for their spending choices. My administration has made Missouri state government more open and transparent by providing the greatest access to information in our state's history."

- Governor Matt Blunt

Gov. Matt Blunt made Executive Order 07-24 on July 11, 2007, which established transparency in Missouri by creating a free, web-based portal called the Missouri Accountability Portal (MAP), which catalogues all government spending, grants and contracts.

The Commissioner of Administration manages the site (www.mapyourtaxes.mo.gov) and updates it each day. The portal allows citizens to "MAP" their tax dollars, and provides a single point of reference for reviewing how Missouri spends tax dollars. MAP has received millions of hits since launching.

Alicia Weaver, Director for Enterprise Applications and Data Management for the state of Missouri estimated the total cost of developing MAP equaled \$293,140.⁸ She explained the project in three phases:

Phase One: Expenditures Online in a

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Searchable Format

- Time frame 2 months (Note: Weaver recommend allowing an IT staff more time than this)
- Went live July 2007

Phase Two: Tax Credits

- Time frame 4 months
- Created a feed from the Department of Economic Development
- Went live October 2007

Phase Three: Employee Salaries (worked on this parallel to 2nd phase)

- Time frame about 6 months
- Went live January 2008

Hits on MAP since July 2007 (when it first went live): 11,762,891

Savings

- All costs associated with Sunshine requests, to file them and find the information on the state side, and distribution
- It is bringing up spending issues as constituents are able to see where the money goes (<http://www.govtech.com/gt/404259>)

Conclusion

Now, we come to Illinois. Clearly, Illinois needs transparency. We need more accountable government, and a better-managed one. Elected officials in Illinois need to stop managing the budget like an open-ended fund. Illinois needs to clean up its act, and transparency provides the tool for cleaning up current and deterring future messes.

Implementing a comprehensive transparency program would inject sunlight into the budget process and open up the books in an online searchable database. The site would provide a complete, itemized and clear description of all the state's

expenditures including, but not limited to, all contracts, vendors, and grants. In addition, all expenditures would have a detailed account of the payment's purpose and who authorized the payment.

Transparency not only cleans up government spending and fosters accountability; it is also the foundation of ethics reform in Illinois. Educating both the public and legislators about how government spends tax dollars, makes it easier to expose corruption and pay-to-play politics. Transparency allows people to connect the dots and see who is asking for money, who authorizes what spending, and who benefits from the funding. Unless government implements transparency and stops the waste, it cannot perform its core functions as well as it could. Transparency offers a viable solution to the problems in Illinois government. Enacting it will provide the much-needed x-ray machine that will illuminate the sickness (corruption, lack of accountability, pay-to-play politics, ineffective programs, and wasteful spending) and provide a map to cleaning up and reforming Illinois government.

Local government efforts have led the transparency movement in Illinois. Now, state government in Illinois must follow their example, and public supporters of transparency should pressure state legislators to do so. The many other states across the country that have implemented comprehensive transparency also act as pressure points on Illinois and provide examples for our state government to follow.

The Senate Rules Committee has strong, bi-partisan, public support of transparency legislation, HB4765, sitting at its feet – along with bi-partisan support within the State Senate. Illinois needs help, and transparency in state government could lend a hand in cleaning up the serious

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budget problems, lack of accountability, and distrust of elected officials. Local government in Illinois and other states get it, now it's time for Illinois state government to get on board with transparency.

Notes

1. For a list of "Who Is Posting in Illinois?" see <http://illinoispolicyinstitute.org/news/article.asp?ArticleSource=529>

2. For a list of transparent states see <http://www.atr.org/state/projects/transparency/2008transparency.html>.

3. Americans for Tax Reform. State, Federal and Local Efforts to Increase Transparency in Government Spending: Comprehensive Fact Guide, July 24, 2008.

4. Cost of KanView site message from the Feedback Center on the site: The KanView website was developed by the Information Network of Kansas (INK), the official gateway for online access to Kansas government, in a joint effort with the Kansas Department of Administration. INK development costs for KanView were approximately \$100,000. The Department of Administration staff work effort was not tracked, but was done within its existing budgeted resources at no additional cost to the public.

5. Fabry, Sandra. States See the Need for Spending Transparency, Budget and Tax News, Heartland Institute, <http://www.heartland.org/policybot/results.html?artId=21370> July 2007.

6. Americans for Tax Reform. State Efforts to Increase Transparency in Government Spending, www.atr.org/content/pdf/2007/april/spending_transparency.pdf, April 2007.

7. Cost of Open Books (OK) data from Lisa McKeithan, Office of State Finance – ISD, Enterprise Systems & Business Analyst.

8. Cost of MAP (MO) – Alicia Weaver, Director for Enterprise Applications and Data Management for the state of Missouri.

To learn more about transparency efforts in Illinois visit the Institute's transparency policy website at Open Illinois.org.