



Financial Transparency

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THE ISSUE

Financial transparency—the timely, accurate, and reliable disclosure of government budget and spending information—is still a relatively new concept among many state governments. However, Texas is not among them.

Since 2007, Texas' state government has embarked on an ambitious campaign to reconfigure how public information is created and shared over the Internet. Its efforts have spawned a number of critically acclaimed programs, such as:

- ★ *Where the Money Goes*: An award-winning virtual check register that tracks all state agency expenditures in Texas.
- ★ *Texas Stimulus Impact*: A website that enables citizens to track the billions in stimulus funding flowing through the state.
- ★ *Single Set of Books*: A wide-reaching effort “to integrate data and processes into more cohesive and standardized systems for the highest levels of efficiency,” helping officials and taxpayers make apples-to-apples comparisons of state spending.

- ★ *Texas Comptroller Leadership Circle*: An initiative that recognizes cities, counties, school districts, and special districts for their voluntary open government efforts.

While the initiatives listed above represent the state's more recognizable efforts, Texas' state government has also undertaken several other lesser-known transparency efforts, including posting Legislative Appropriations Requests online in a single location and televising legislative proceedings.

Together, these initiatives are helping to transform Texas state government into a beacon of transparency. But, while the state deserves praise for the progress it has made, Texas' local governments are not as deserving.

Out of the thousands of local governmental entities that exist in Texas—i.e., cities, counties, school districts, and special districts—only a fraction have been recognized for their transparency efforts by the Texas Comptroller. In fact, as of August 2010, the total number of government entities to have been awarded a bronze, silver, or gold award in the Comptroller's Leadership Circle initiative numbered only 200.

Local Governmental Entities	Award Type: Bronze	Award Type: Silver	Award Type: Gold	Total Awards Given
Cities	15	18	40	73
Counties	6	0	35	41
School Districts	6	6	70	82
Special Districts	0	0	4	4
Total Awards	27	24	149	200

To be fair, a few local governments like Collin County, have made some remarkable achievements, such as becoming the first county government in the nation to post its check register online. However, cases like this are few and far between. As the previous chart shows, more work needs to be done at the local level to improve transparency and accountability.

As the next legislative session approaches, the issue of local government transparency is something the Legislature needs to address. Posting public information such as prior and proposed budgets, check registers, and financial reports should be standard practice among all of Texas' local governments. In doing so, the Legislature will not only help Texas remain a leader in the open government movement, but will better educate and engage its citizenry about their governments.

THE FACTS

- ★ Though improvements can still be made, Texas has been nationally recognized for its open government efforts at the state level.
- ★ At the local level, more effort is needed to encourage open government reforms.
- ★ Only 200 cities, counties, school districts, and special districts have been recognized for their transparency efforts by the Comptroller's office, as of August 2010.

RECOMMENDATIONS

- ★ Expand the state's current transparency efforts to include posting state employee salaries online, posting winning and losing contracts online in one location, and continuing with efforts to make state expenditures comparable across agencies.
- ★ Mandate basic transparency measures for local governments, such as posting five years of budget information online, prominently posting check registers online, and having financial reports online dating back five years.

RESOURCES

Texas Transparency: Then and Now by The Honorable Talmadge Heflin and James Quintero, Texas Public Policy Foundation (Nov. 2008) <http://www.texaspolicy.com/pdf/2008-11-RR12-transparency-th-jq.pdf>.

Building a Principled Budget: A Blueprint for the 2010-11 Biennium by The Honorable Talmadge Heflin and James Quintero, Texas Public Policy Foundation (Nov. 2008) <http://www.texaspolicy.com/pdf/2008-11-RR11-BudgetBlueprint-th-jq.pdf>. ★

