


Texas Public Policy Foundation

A magnifying glass with a black handle and a gold-colored frame is positioned over a document. The document is slightly out of focus, showing some text and a red stamp. The background is a solid green color.

TEXAS TRANSPARENCY

Then and Now

NOVEMBER 2008

by The Honorable Talmadge Heflin
& James Quintero
Center for Fiscal Policy

www.TexasPolicy.com



November 2008

by **The Honorable Talmadge Heflin
& James Quintero**

Center for Fiscal Policy
Texas Public Policy Foundation

Table of Contents

Executive Summary 3

Introduction..... 4

Rising Tide of Texas Transparency 5

Moving Forward: What’s Next for Texas
Transparency 11

What Can Texans Do To Support Transparency
Reform?..... 12

Conclusion..... 13

Endnotes..... 15

"A popular Government, without popular information, or the means of acquiring it, is but a prologue to a farce or a tragedy; or, perhaps both. Knowledge will forever govern ignorance; and a people who mean to be their own governors must arm themselves with the power which knowledge gives."¹

~James Madison

4th President of the United States (1751–1836)



Executive Summary

Transparency is a cornerstone of democracy. The timely and accurate disclosure of public information enables citizens to knowledgeably engage themselves in the democratic process. It also enhances government accountability, improves the delivery of public goods and services, and discourages fraud, waste, and abuse in the system.

From the viewpoint of fiscal policy, financial transparency is critical in determining the value of public goods and services. Government, as a steward of public monies, has a responsibility to maximize its economic resources and reveal how those resources were used. Given the technological capabilities of the 21st century—namely, the Internet—citizens possess the capacity to make sure those ends are met, so long as government cooperates.

Unfortunately, budget transparency is still a relatively new phenomenon, but thanks to the *Federal Funding Accountability and Transparency Act of 2006*,* measures to improve the online availability and accessibility of public information are gaining ground. In fact, since Congress' passage of the federal transparency act, "seven state spending transparency websites have already been created thanks to legislation or gubernatorial action."²

As momentum for transparent government builds, the number of states providing greater access to financial

information is growing. A handful of states, though, have taken it upon themselves to blaze their own financial transparency trail; among the few: Texas.

Led by Governor Rick Perry, the 80th Texas Legislature, Comptroller of Public Accounts Susan Combs, and the Texas Public Policy Foundation, the Lone Star State has increasingly found itself in the national spotlight for its innovative E-government initiatives.

Although Texas has many transparency accomplishments to its name, its most prominent is the Comptroller's website, *Where the Money Goes*. As a result of House Bill 3430 by Representative Mark Strama, this site offers users a free, searchable database of all state agency expenditures. Launched in October 2007, the website has since received numerous accolades from supporters and critics alike for its searchability, intuitive design, and level of detail. The drill-down feature is so extensive that users can access spending data "down to the pencil."³

Texas also boasts some encouraging local government transparency accomplishments. In August 2008, Collin County became the first county government to ever post its check register online. Not long thereafter, Smith County announced it too would post its check registers online, putting further pressure on Texas' other 252 counties to follow suit.

When the 81st Texas Legislature convenes in January 2009, advocates of transparent government look to

*For more information, see The Library of Congress, <http://thomas.loc.gov/cgi-bin/bdquery/z?d109:s.02590>.

build upon these successes. At the state level, efforts to expand transparency will include: posting the text of winning and losing bids, making public employee compensation information available, and standardizing agency expenditures to more accurately track financial information. At the local level, transparency efforts will focus on requiring local governments to post their expenditures online and developing a "Report Card" system to assess the efforts of Texas local governments as they adopt financial transparency measures.

Introduction

Thomas Jefferson once famously proposed that "Information is the currency of democracy."⁴ In keeping with that, Americans have traditionally placed a premium on the free-flowing exchange of information between themselves and government; but not until the advent of the Internet has the promise of truly open government been achievable.

Today, cheaper, faster computing power is unleashing a new era of open government—sometimes referred to as "Google Government."⁵ All types of public information are now finding their way to the Internet. From pending legislation to personal financial disclosure reports to committee meeting minutes, the Internet is revolutionizing the concept of open governance.

Public information on how government communicates, operates, and deliberates is a valuable commodity; from the mundane to the exorbitant, the public's desire for this information seems insatiable. This is particularly true in the case of public finance.

Financial transparency relates to the timely, accurate, and reliable disclosure of government budget and spending information. When government spends any amount of taxpayer money, citizens are entitled to learn how and where that money was spent.

Beyond its educational value, financial transparency has also proven valuable in:

- Encouraging informed public debate;
- Protecting against and rooting out fraud, waste, and abuse;
- Restoring public confidence;
- Promoting higher standards of government accountability; and
- Reducing the cost of public goods and services.

In many ways, financial transparency is in its infancy; however, efforts at the federal level are encouraging states to enact significant reforms. Since Congress' passage of the *Federal Funding Accountability and Transparency Act*, sponsored by Senator Tom Coburn and Senator Barack Obama in September 2006, Americans for Tax Reform estimates that:

- Seven states—Arkansas, Kansas, Louisiana, Oklahoma, Missouri, South Carolina, and Texas—have active state spending websites as a result of legislation or gubernatorial directive;⁶
- Eight states—Arizona, Georgia, Illinois, Kentucky, Michigan, Nebraska, New York, and Pennsylvania—have active state spending websites based on the directive of state constitutional officers;⁷ and
- Nine states "have passed legislation and one governor has issued an executive order to create similar websites, all of which are awaiting implementation."⁸

A considerable number of additional states are expected to embrace basic the concept of financial transparency in the near future; but, even now, a small group of states have established themselves as innovators in the field. Among the most notable are Kansas, Missouri, and Texas.

When Kansas State Representative Kasha Kelley introduced the *Kansas Taxpayer Transparency Act of*

2007, the Sunflower State thrust itself into the national spotlight by proposing the nation's first online state expenditure database. On March 1, 2008, Representative Kelley's vision of tracking government spending online became a reality with the launch of *KanView*. In addition to tracking expenditures, *KanView* posts state revenues, annual bond indebtedness, and other relevant information online.*

With Executive Order 7-24, Missouri Governor Matt Blunt created the *Missouri Accountability Portal (MAP)* to track government spending, contracts, tax credits, and the salaries of state employees.† The website was created at no additional cost to taxpayers by using existing revenues and staff. Since its launch, *MAP* has been highly successful, receiving over 14 million visits since July 2007.‡

On June 15, 2007 Texas Governor Rick Perry signed House Bill 3430 by Representative Strama to make the Lone Star State the fourth state in the nation to create an online expenditure database: *Where the Money Goes*. The site is often considered a model by other states and recently received the Visionary Award and the Best Technology Solution Serving the Public Award from the Center for Digital Government.¹⁰ Even before the creation of the *Where the Money Goes* website, Texans were pioneering other transparency and accountability reforms.

The Rising Tide of Texas Transparency

Modern-day financial transparency is still a relatively new phenomenon in American government. A great majority of states are only now beginning to come to terms with the concept of open government in the 21st Century, but Texas has built up an impressive portfolio of transparency accomplishments in recent years.

Executive Order RP47

On August 22, 2005, Governor Perry issued Executive Order RP47[‡] directing Education Commissioner Shirley Neeley to develop an indicator requiring school districts to spend at least 65 percent of their budget directly on classroom-related expenditures.

The "65 percent rule," as it came to be known, based instructional costs on the National Center for Education Statistics (NCES) definitions of classroom-related expenditures.¹¹ Under these proposed guidelines, there would be a three year phase-in, as directed by the Texas Education Agency (TEA), to reach the 65 percent spending threshold.

During the 2006-07 school year, school districts were required to spend 55 percent of their budgets on classroom instruction; 60 percent during the 2007-08 school year; and 65 percent during 2008-09. However, an exemption included by TEA allowed districts to opt out of the "65 percent rule" if they posted their check register and yearly payroll online.

As more districts began posting their financial information online to avoid the 65 percent spending requirement, interested parents and taxpayer advocates began asking every district to make this information available online, even if the district had already met the terms of the 65 percent rule.

Since the governor's order was issued, more school districts have begun posting their check registers online voluntarily. Earlier this month, *www.Texas-BudgetSource.com* estimated that nearly 215 school districts had their check registers posted online; up dramatically from late last year when approximately 60 were available.

*For more information, see *KanView*, <http://www.kansas.gov/KanView/KanView.html>.

† For more information, see the Missouri Accountability Portal, <http://mapyourtaxes.mo.gov/MAP/Portal/Default.aspx>.

‡ For more information, see Office of the Governor Rick Perry, <http://governor.state.tx.us/news/executive-order/3669/>.

Governor Perry's Five-Point Plan put forth the first official plan for modern Texas fiscal transparency and set the stage for future progress.

Although school districts are still not required to post their check registers online, legislators and fiscal watchdogs are expected to make a concerted effort to mandate this requirement when the 81st Legislature convenes in January.

Governor Perry's Five-Point Budget Reform Plan

In September 2006, Governor Perry unveiled his Five-Point Budget Reform Plan which identified "five key budget reforms that (would) restrain spending, open the state government checkbook to the public, and end the disingenuous money-shifting shell games that allow funds to be spent on priorities other than what was promised."¹²

Governor Perry's Five-Point Plan put forth the first official plan for modern Texas fiscal transparency and set the stage for future progress. One element of the governor's plan called for "all state agencies to publish their expenditures online in a clear, concise and consistent format"—a forerunner to the state's comprehensive spending website.¹³

To illustrate the seriousness of the governor's intentions, his office's actual expenditures were made available online in January 2007.¹⁴ Shortly thereafter, Comptroller Combs' office began posting a detailed expenditure report for their expenses, as well as that of several other state agencies.

Texas Comptroller Susan Combs and *Where the Money Goes*

Even before the 80th Legislature passed HB 3430 in June 2007 to create *Where the Money Goes*, Comp-

troller Combs committed her office to the concept of online fiscal transparency.

During her first week as Comptroller, her office began posting its expenditures online voluntarily following the governor's announcement to do the same. Shortly thereafter, and at the Comptroller's request, "24 of the state's largest agencies (also) provided their detailed expenditures" for the Comptroller's office to post online.¹⁵ The information was made available online in a simple table format for taxpayers to scrutinize.

To explain her support for transparent government, Comptroller Combs emphasized the issue this way:

Government spending is often seen as impenetrable and unknowable. Taxpayers have the absolute right to know how their money is being spent, and it is only with transparency that government can be held accountable.

We are helping citizens with an easy way to examine state expenditures in one place without needing to contact multiple agencies.¹⁶

Following the lead of the governor and comptroller, HB 3430 by Representative Mark Strama became law in June 2007. The bill created the *Where the Money Goes* website, a searchable, online database detailing all state agency expenditures—expenditures that topped \$167 billion in the 2008-09 biennium.¹⁷

This legislation set the stage so that users can now search through spending data in one of four ways:



TABLE 1: Taxpayer Savings in 2007 from the *Where the Money Goes* Website

Elimination of several IT contracts	\$457,000
Not printing a duplicative study already done by another agency	\$250,000
Postage and print cost savings by putting publications online	\$130,000
Elimination of microfilm no longer needed	\$100,000
Consolidation of five different toner contracts into one	\$73,000
Pager disconnections	\$14,600

Source: *Americans for Tax Reform, Center for Fiscal Accountability*

by state agency, by vendor, by spending category, or by purchasing code. The site's drill-down feature is so detailed that users can search for expenditure information "down to the pencil."¹⁸

The site has not only served as an educational resource, but has saved taxpayers millions of dollars. The Comptroller's office was able to develop *Where the Money Goes* at an initial development cost of \$310,000, but during its first year of activity in 2007, taxpayers saved \$2.3 million from consolidating contracts and eliminating duplicative services and non-essential items.¹⁹ As *Americans for Tax Reform* illustrates in Table 1, the Comptroller's office saved tax dollars from a number of activities in that year. To date, the Comptroller's transparency work has saved state taxpayers nearly \$9 million, according to their offices.

Enterprise Resource Planning

Texas state agencies and higher education institutions currently report financial data in different data

languages. To put this in context, one agency may code "pens" one way, but a separate agency codes the same "pens" differently. This creates a lack of uniformity when state agencies report expenses and makes cross-agency expenditure comparisons difficult, if not impossible.

To address this issue, the 80th Legislature passed House Bill 3106 by Representative Carl Isett in May 2007. The bill makes four provisions:²⁰

- Provide a clear definition and scope of Enterprise Resource Planning (ERP) for Texas;
- Initiate statewide participation in planning through an Advisory Council representing both state agencies and institutions of higher education;
- Research and develop a plan for implementing "one set of books;" and

As designated in HB 3106 by Representative Isett, Comptroller Combs chairs the ERP advisory council and is charged with developing a plan to implement “a more cohesive system of data and technology throughout state government to speed state operations, improve customer service, and save tax dollars.”

- Provide a progress report each biennium on plan implementation.

As designated in HB 3106 by Representative Isett, Comptroller Combs chairs the ERP advisory council and is charged with developing a plan to implement “a more cohesive system of data and technology throughout state government to speed state operations, improve customer service, and save tax dollars.”²¹ In February 2008, this council began meeting to review plan options.

After nearly 10 months of meetings and workshops, the council’s members* drafted the proposal “A Plan for the Implementation of Enterprise Resource Planning.” According to the council’s report, replacing existing statewide systems would cost an estimat-

ed \$285.7 million. As illustrated in Table 2, the costs would be stretched over a 7-year implementation period.

Although the plan is more expensive than simply maintaining the status quo, the Council offers three reasons the legislature should adopt these proposals:

- First, many existing state systems are one to two decades old with several that are no longer supported by outside vendors. The state would have to spend approximately \$121 million to fix the critical issues in these existing systems;
- Secondly, current systems do not share common database languages that would allow for better

TABLE 2: Seven Year Projected ERP Costs

Fiscal Year	Upgrade	Cost
2010-11	Planning; Statewide ERP Requirements Development; Procurement of ERP software and Integration Services	\$83,813,000
2012-13	32 Agency Deployments	\$82,774,000
2014-15	92 Agency Deployments; Replace Statewide System; Hub Interfaces Completed	\$73,534,000
2016	11 Agency Deployments; Replace Remaining Statewide Systems; Software Upgrade	\$45,606,000

Source: The Enterprise Resource Planning Advisory Council

* Members of the Enterprise Resource Planning (ERP) Advisory Council include: the Department of Information Resources (DIR), the Health and Human Services Commission (HHSC), Information Technology Council for Higher Education (ITCHE), the Texas Comptroller of Public Accounts, and two agencies chosen by the Comptroller with less than 100 employees—the Texas Commission on the Arts and the Texas Soil and Water Conservation Board.

On July 8, 2008, the Texas Public Policy Foundation launched *www.TexasBudgetSource.com* as a clearinghouse for state and local government spending information.

information access, tracking, and comparison for real results; and

- Finally, the estimated cost for the ERP implementation plan is only \$35.4 million more than the \$1.3 billion the state estimates will be spent on its current planned course of action for system upgrades and purchases over the next 11 years.

TexasBudgetSource

On July 8, 2008, the Texas Public Policy Foundation launched *www.TexasBudgetSource.com* as a primary source of information on state and local spending. To do this, the website offers links to existing state and local government publications, links to budget and check register pages, and provides contact information for cities, counties, and school districts without this information posted.

TexasBudgetSource also provides analysis of government budgets and historical spending trends to educate taxpayers on the growth of government. The site is updated regularly with new charts, graphs, and illustrations; news-clips of transparency reforms around the state; and special messages from guest speakers such as: Comptroller Combs, Representative Mark Strama, and Americans for Tax Reform President Grover Norquist.

TexasBudgetSource has been called the “Brightest Idea of the Week” by the *Washington Examiner*,²³ noted in newspapers and blogs around the nation* and recommended by the *National Review Online* which said, “every state should have a project like this.”²⁴

Collin County’s Financial Transparency Project

In August 2008, Collin County, TX narrowly edged out Hamilton County, OH to become the first county government to ever post its check register online.

The Collin County Financial Transparency Project offers taxpayers a record of every check their county government has written since October 2007 and features five-year tax and expenditure summaries, budget analyses, quarterly statistical data, a Citizens Report,[†] and agency contact information.

Collin County’s transparency project, led by County Judge Keith Self, has been popular with local residents and set a new precedent for Texas local governments—one that has already been replicated by Smith County. Public pressure is now building on the remaining 252 counties in Texas to post their check registers online.

* *TexasBudgetSource* has been featured in the Denver Post: <http://www.texaspolicy.com/pdf/2008-09-25-DenverPost-TH.pdf>; Americans for Tax Reform (ATR): <http://www.fiscalaccountability.org/index.php?content=ntr-combs1>; and the Next Right: <http://www.thenextright.com/rob-bluey/texas-style-transparency>.

† Collin County’s Citizens Report gives taxpayers an overview of the county’s financial condition and revenue sources. It also highlights trends in the local economy. For more information, see <http://public1.co.collin.tx.us/transparency/default.aspx>.

Comptroller Combs has initiated *Transparency Check-Up*—the first part of a two phase project in order to track how local governments, such as school districts, spend tax dollars.

The Legislative Budget Board

In late July 2008, Senator Dan Patrick asked the Legislative Budget Board (LBB) to begin posting each state agency's Legislative Appropriation Request* (LAR) on a single website rather than on each individual agency's website. Prior to his request, each agency posted their LAR, which details an agency's budget request, on their individual websites. However, by placing the LARs in one location, taxpayers can now access this information more easily and review what kind of financial demands each agency is requesting.

Senator Patrick said he requested that the LBB enact this measure because "budget transparency is critical as the state's budget continues to grow at a rapid pace. Spending has doubled since 1998 and has consistently outpaced population and inflation growth."²⁵

Senator Patrick's request is an example of the high expectations Texans hold when it comes to financial transparency. No longer is haphazardly posting financial data online sufficient; government's finances should be easy-to-locate, organized, and ready for taxpayers to quickly digest.

Phase 1: Transparency Check-Up

Comptroller Combs has initiated *Transparency Check-Up*—the first part of a two phase project in order to track how local governments, such as school districts, spend tax dollars.

Transparency Check-Up offers users some unique insights, including:

- The ability to identify transparency measures in counties, school districts, river authorities, metropolitan transit authorities, the top 50 cities, and other states;
- Transparency success stories from local government leaders in Collin County, Bastrop County, El Paso County, and Webb County;
- Step-by-step tips from local government leaders on posting expenditures online; and
- Background information on the importance of transparency and its impact on taxpayers.

Transparency Check-Up is slated to be released by the end of 2008.

Phase 2: The Report Card System

The second phase of the Comptroller's plan to promote local government transparency involves the creation of a Report Card system. The system, to be launched in 2009, will assess the efforts of local governments, school districts, and other entities to adopt transparency measures and issue grades to each of them based on their efforts.

*A Legislative Appropriations Request (LAR) is a formal request made by each state agency and institution. This request is in accordance with instructions by the Legislative Budget Board and Governor's Office of Budget, Policy, and Planning. The agency request is prepared according to the approved strategic planning and budget structure for that agency.



By 2009, the Comptroller's office is expected to release its assessment of how well each local governmental entity performed, along with a corresponding grade, for taxpayers and fiscal watchdogs to see. This system will increase pressure from taxpayers and constituents on local governments to post their finances online and adopt a more fiscally responsible stance.

Moving Forward: What's Next for Texas Transparency?

In a short timeframe, Texas government has become a leader in fiscal transparency, but there are still areas where the Lone Star State could use improvement—particularly at the local level.

Texas Transparency: State Government

As a general rule, Texas state government has been quicker to embrace fiscal transparency than its local counterparts. Even so, there are areas at the state level where increased financial transparency can benefit taxpayers, control the growth of government spending, and educate taxpayers on how their tax dollars are spent. To accomplish these goals, the legislature should consider adopting the following measures:

Adapt the Where the Money Goes website to allow for better aggregate data analysis. The Comptroller's spending website has few flaws; however, its inability to easily cross-reference state agency spending limits a user's ability to compare "apples-to-apples."

For example, if a taxpayer wanted to learn how much money the Texas Department of Transportation (Tx-DOT) and the Texas Department of Public Safety (DPS) spent on automobiles during 2007, the taxpayer would have to search through each agency's individual data.

Recommendations produced by the Texas Enterprise Resource Advisory Council address this issue directly. The proposals made by the council would transform Texas' fractured system of expenditure reporting into a more codified system

Publish the details of winning and losing bids received by a state agency during a procurement. Although the LBB is working to create a major contracts database, it will be limited to only winning contracts. With no point of reference, taxpayers are unable to make comparisons between each bidder to verify that the correct bid was chosen, without completing extensive freedom of information requests.

Publish the name, compensation and expense reimbursement information of all state employees. Since public employees are paid from public funds, taxpayers have the right to know how and where their tax dollars are being spent.

Change the state's constitutional spending limit to a more definitive figure. Texas' current constitutional spending limit relies on an obscure figure—the growth in personal income—which is rarely accurate and often misrepresents the true economic condition of the state. Instead, Texans need a definitive, easy-to-understand figure that more accurately reflects Texas' actual growth. The sum of population and inflation

Not only is it time for school districts to live within their means, but they must also learn that “if you can’t defend it, don’t spend it!”

growth is easily understood and widely recognized as the most effective and efficient method.

Texas Transparency: Local Government

The growth of local government spending in Texas has raised many eyebrows during the last several years. In the last 15 years, local government spending has grown from \$40.2 billion in 1991 to \$95.5 in 2006—and increase of 138 percent.²⁶ For this reason, the Texas Legislature would do well to focus its attention on delivering meaningful transparency reforms to local governments.

Require every school district in Texas to post its check register online. One of the most important transparency reforms the 81st Legislature can undertake is requiring every school district to post their check register online. Not only is it time for school districts to live within their means, but they must also learn that “if you can’t defend it, don’t spend it!”

Require every city and county in Texas to post its check register online. Although Texas has some distinguished local government leaders in financial transparency, cities and counties have been slow to implement transparency measures. Following the example set by the state, all cities and counties should post their check registers and other pertinent financial information online so taxpayers can see how their tax dollars are used.

What Can Texans Do To Support Transparency Reform?

Government spending transparency plays an important role in the success of our democracy. Without access to timely and accurate information, taxpayers cannot make informed decisions about the cost or value of their government. But having public information readily available is only part of the equation; for their part, taxpayers need use that information to make sure that government leaders are making responsible choices and held accountable. To increase the availability of this data, there are a number of options that Texans can undertake to enhance financial transparency efforts at the state and local levels:

- Contact local elected officials and ask them to post their check registers online;
- Attend school board meetings and encourage the district to improve its financial transparency;
- Create a blog or write a letter to the editor of a local newspaper;
- Support the efforts of a local taxpayer advocacy group; and/or
- Contact state elected officials and tell them you support financial transparency legislation.

TABLE 3: State and Local Government Policy Recommendations

Improving Texas Transparency	
Policy Recommendation	Why is it Important?
<i>State Government</i>	
Adapt the Where the Money Goes website to allow for better aggregate data analysis.	Users are limited in their ability to perform cross-agency expenditure comparisons. Legislators should carefully review the proposal set forth by the ERP Advisory Council to more accurately track and standardize financial data.
Publish the details of each winning and losing bid and proposal for major state contracts.	Publishing losing bids and proposals rejected by state agencies has two benefits: first, making the text publicly available will deter fraud, waste, and abuse in the system since public officials know they may well have to justify their decisions; second, putting this information in one central location will allow both citizens and contractors to see the elements of a winning bid and improve subsequent procurements.
Publish the name, salary, and expense reimbursement information of all state employees.	Taxpayers have the right to know how much of their money is being spent and for what purpose.
Change the state's constitutional spending limit to a more definitive and understandable figure.	Currently, the state's constitutional spending limit is based on the growth of personal income. This figure is often inaccurate and loosely based; taxpayers deserve a definitive, accurate figure such as the sum of growth in population and inflation.
<i>Local Government</i>	
Mandate every school district in Texas post its check register online.	The 2008-09 biennial budget included more than \$50 billion for the K-12 public education system, yet only a fraction of the 1,031 school districts have their check registers online.*
Require every city and county in Texas to post its check register online.	While the cost of education is the main driver of growing local government spending, cities and counties also have a responsibility to open up their checkbooks for taxpayers to scrutinize.

Conclusion

Our Founding Fathers understood the importance of open government and the need for accountability. However, it's only been since the dawn of the 21st century that the technology has been available to carry out the aspirations of our forefathers.

While transparency should be applied to every government activity, making the state's finances available online is particularly important. As government

operates and grows, it consumes a greater share of private wealth. To make sure this wealth is not being unduly wasted on activities that are unproductive, taxpayers must be empowered to compare the services government provides with its cost. This can only be achieved through financial transparency.

As a leader of transparent government, Texas has a number of accolades to its name: it is home to one of the most impressive spending websites, *Where the Money Goes*; it has the first county to ever post

*"School Districts," TexasBudgetSource (July 2008) <http://www.texasbudgetsource.com/school-districts>.

Transparency is about making government better, more accountable, and responsive; rooting out fraud and abuse that hurts Texas families; and transferring the reins of power back to those to whom it belongs—taxpayers.

its expenditures online; it is proposing significant state agency expenditure reforms with the ERP Advisory Council; and is home to the well-regarded *TexasBudgetSource*.

While Texas' transparency reforms are notable, the state needs further transparency measures at the local government level. School districts, in particular, are showing tremendous budget growth, but have been reluctant to adopt openness about their finances.

Whether or not the 81st Legislature will achieve the same level of transparency reforms as the legislature before it is yet to be seen. However, the goal of transparency should not be lost. Transparency is about making government better, more accountable, and responsive; rooting out fraud and abuse that hurts Texas families; and transferring the reins of power back to those to whom it belongs—taxpayers. ★

Endnotes

- ¹ James Madison, letter to W.T. Barry (4 Aug. 1822) reprinted in G.P. HUNT, ED., IX THE WRITINGS OF JAMES MADISON 103 (1910), <http://www.foiadvocates.com/howto.html>.
- ² "State Spending Transparency," Americans for Tax Reform (2 Sept. 2008) <http://www.fiscalaccountability.org/index.php?content=transsub2>.
- ³ "Window on State Government," Texas Comptroller of Public Accounts, <http://www.window.state.tx.us/comptrol/expendlist/cash-drill.php>.
- ⁴ Quote by Thomas Jefferson, "Democracy," OpenTheGovernment.org, <http://www.openthegovernment.org/article/articleview/29/1/15>.
- ⁵ Jonathan Keats, "Jargon Watch: Bacon, Google Government, Smexting," *Wired Magazine*, Issue 15.11 (23 Oct. 2007) http://www.wired.com/culture/culturereviews/magazine/15-11/st_jw.
- ⁶ "Transparency in Government Spending in the States," Americans for Tax Reform (Sept. 2008) <http://www.fiscalaccountability.org/index.php?content=transsub2>.
- ⁷ *Ibid.*
- ⁸ *Ibid.*
- ⁹ "Governor Blunt's Accountability Portal Exceeds 14 Million Hits," Office of the Governor Matt Blunt (10 Nov. 2008) <http://governor.mo.gov/cgi-bin/coranto/viewnews.cgi?id=EkkyFFupAEkCpKTKVX&style=Default+News+Style&tmpl=newsitem>.
- ¹⁰ "Best of Texas Award Winners 2008 Announced," Center for Digital Government (Aug. 2008) <http://www.centerdigitalgov.com/survey/85/2008>.
- ¹¹ "Librarians Included in Proposed 65 Percent Rule," Texas Education Agency (6 Apr. 2006) <http://www.tea.state.tx.us/press/65percentpressrelease.pdf>.
- ¹² "Perry Outlines Budget Reforms," Office of the Governor Rick Perry, <http://www.rickperry.org/node/62>.
- ¹³ Byron Schломach, Ph.D., "A Look at Perry's Five-Point Budget Reform Plan," Texas Public Policy Foundation (Oct. 2006) <http://www.texaspolicy.com/pdf/2006-10-PB13-series-bs.pdf>.
- ¹⁴ "Governor Perry Urges Legislators to Support Fiscal Responsibility," Office of the Governor Rick Perry (2 May 2007) <http://governor.state.tx.us/news/press-release/2242/>.
- ¹⁵ "Where the Money Goes: Texas Comptroller of Public Accounts (CPA) Interactive Online State Expenditures Database," National Association of State Chief Information Officers (NASCIO), [http://www.nascio.org/awards/nominations2008/2008/2008TX5-FINAL%20DRAFT%20NASCIO%20Award%20\(2\).pdf](http://www.nascio.org/awards/nominations2008/2008/2008TX5-FINAL%20DRAFT%20NASCIO%20Award%20(2).pdf).
- ¹⁶ "Window on State Government," Texas Comptroller of Public Accounts, <http://www.window.state.tx.us/comptrol/expendlist/cash-drill.php>.
- ¹⁷ "Fiscal Size-Up," The Legislative Budget Board (Mar. 2008), http://www.lbb.state.tx.us/Fiscal_Size-up/Fiscal%20Size-up%202008-09.pdf.
- ¹⁸ William Lutz, "Interview: Comptroller Combs discusses taxes, economy," *The Lone Star Report* (27 July 2007) <http://www.www.nrtw.org/pdfs/profiles/Vielma/07-27-2007%20-%20The%20Lone%20Star%20Report.pdf>.
- ¹⁹ Talmadge Heflin, "Taxpayers Deserve State Transparency," *San Angelo Times* (21 Aug. 2008) <http://www.gosanangelo.com/news/2008/aug/21/taxpayers-deserve-state-transparency/>.
- ²⁰ "A Plan for the Implementation of Enterprise Resource Planning (ERP) for the State of Texas," The ERP Advisory Council (Dec. 2008) http://www.txenterpriseresourceplanning.org/advisory/pdf/ERP_Advisory_Council_Report.pdf.
- ²¹ "Transparency Innovations Win Honors for Texas Comptroller's Office," Texas Comptroller of Public Accounts (Oct. 2008) <http://www.window.state.tx.us/news2008/081013-transparency.html>.
- ²² "A Plan for the Implementation of Enterprise Resource Planning (ERP) for the State of Texas," The ERP Advisory Council (Dec. 2008) http://www.txenterpriseresourceplanning.org/advisory/pdf/ERP_Advisory_Council_Report.pdf.
- ²³ "Brightest Ideas of the Week," *The Washington Examiner* (13 July 2008) <http://www.texaspolicy.com/pdf/2008-07-13-WashExaminer-TBS.pdf>.
- ²⁴ Kevin D. Williamson, "The Real News on Government Spending," *National Review Online* (8 July 2008) <http://www.texaspolicy.com/pdf/2008-07-08-NRO-TBS.pdf>.
- ²⁵ "Senator Patrick Invites Voters to Review Agency Budget Requests," Office of State Senator Dan Patrick (30 July 2008) <http://www.senate.state.tx.us/75r/senate/members/dist7/pr08/p073008a.htm>.
- ²⁶ U.S. Census Bureau, State and Local Government Finances by Level of Government and by State, Washington, D.C., <http://www.census.gov/govs/www/estimate.html>.

About the Authors

The Honorable Talmadge Heflin is the Director of the Texas Public Policy Foundation's Center for Fiscal Policy.

For 11 terms, Talmadge served the people of Harris County as a state representative. Well regarded as a legislative leader on budget and tax issues by Democratic and Republican speakers alike, he for several terms was the only House member to serve on both the Ways and Means and Appropriations committees.

In the 78th Session, Talmadge served as chairman of the House Committee on Appropriations. He navigated a \$10 billion state budget shortfall through targeted spending cuts that allowed Texans to avoid a tax increase.

James Quintero is a fiscal policy analyst at the Texas Public Policy Foundation. He joined the Foundation's Center for Fiscal Policy in March 2008 and contributes to the following issues: restricting the growth of taxation; appropriations reform; increasing governmental transparency at both the state and local level; and instituting expenditure limits.

Prior to joining the Foundation, James completed his Master's of Public Administration degree with an emphasis in Public Finance at Texas State University-San Marcos. His Applied Research Project, "Regional Economic Development: An Economic Base Study and Shift-Share Analysis of Hays County, Texas" is currently featured on the TSU website. During the course of his graduate studies, he also worked as a Graduate Research Assistant for the university's Scholarships and Financial Aid Administration Department.

Texas Public Policy Foundation

The Texas Public Policy Foundation is a 501(c)3 non-profit, non-partisan research institute guided by the core principles of individual liberty, personal responsibility, private property rights, free markets, and limited government.

The Foundation's mission is to lead the nation in public policy issues by using Texas as a model for reform. We seek to improve Texas by generating academically sound research and data on state issues, and recommending the findings to policymakers, opinion leaders, the media, and general public.

The work of the Foundation is primarily conducted by staff analysts under the auspices of issue-based policy centers. Their work is supplemented by academics from across Texas and the nation. Funded by hundreds of individuals, foundations, and corporations, the Foundation does not accept government funds or contributions to influence the outcomes of its research. The public is demanding a different direction for their government, and the Texas Public Policy Foundation is providing the ideas that enable policymakers to chart that new course.

