



The Montana Policy Institute

Policy Note 02-08

Creating a Free, Searchable Website of State Spending

Bottom Line Up Front:

Lawmakers have the opportunity during the 2009 Legislative Session to address voters' concerns about government transparency, and whether or not those we entrust with our tax dollars will respect the people's constitutional right to know how their money is being spent. Proposals are in the works to create a budget transparency website that would place all state and local revenue and expenditure information online in a fully searchable format.

In 2006, the federal government enacted a law that provides a roadmap for states on how to allow citizens to find out about government spending. The law was co-sponsored by Senators Tom Coburn (R-OK) and Barack Obama (D-IL) and was passed unanimously by Congress. The new law creates a free searchable website that allows citizens to track the recipients of all federal funds.

Many states are moving forward with this type of reform, and the majority of them are accomplishing it with little or no fiscal impact. Similar bipartisan proposals are long overdue here in Montana.

If the state had a searchable budget website, rather than having to dig through hundreds or even thousands of pages of budget documents, the public could find details on state spending linked to a plain-English explanation of what it meant, broken down further by how the money is spent all the way to the check being written. Performance information for the spending could also be included. That way, any citizen with internet access could go to a single source for the public spending information he or she seeks.

The Need:

At some point most citizens wonder, "Just how, when and where does government spend our tax dollars? What is the funding source? What do our elected representatives want to accomplish when they spend public money, and what results are actually achieved?"

Considering Montana lawmakers will spend billions of our dollars over the next budget cycle, these are basic questions to which any taxpayer should be able to get answers quickly and conveniently. This is especially true since modern technology makes accessing large amounts of information easier than ever. Unfortunately, the opportunity to learn these answers is currently limited and difficult to achieve. The information is *available*, but it is not *accessible* to the regular citizen.

The current lack of spending transparency is not the result of some deep conspiracy to hide budget information from the public. Instead it is simply a failure of government to keep up with the times by providing taxpayers with a free, easy-to-use website where people can find these details. Montana's state government has come a long way in making information about state programs and regulations accessible to the public, but there is still no single source that puts budget and expenditure information into plain English so all of us can see where our money is going, and how it gets there.

A solution to this lack of budget transparency problem is available. If the federal government can make this happen, then certainly Montana can, too.

Creating a Searchable Budget Website:

President Bush and others recognized the federal government's need to be more accountable to Americans for the nearly \$1 trillion Congress appropriates each year in discretionary spending. In 2006 he signed the bipartisan Federal Funding Accountability and Transparency Act. The Act was co-sponsored by senators Tom Coburn (R-OK) and Barack Obama (D-IL) and passed Congress unanimously.

The new law creates a free, easy-to-use, searchable, Google-type web site that allows citizens to track the recipients of all federal funds. The privacy of individuals is protected. For example, one cannot look up how much Social Security someone receives monthly.

According to the President, this budget database will enable citizens "to call up the name and location of entities receiving federal funds and will provide them with the purpose of the funding, the amount of the money provided, the agency providing the funding and other relevant information."

Transparency Reforms in Other States:

Recently the American Legislative Exchange Council (ALEC), a nonpartisan association of state legislators, adopted model legislation to implement state versions of the Federal Funding Accountability and Transparency Act. ALEC also adopted a model bill to require that the public have at least 72 hours to review tax and spending bills before they are voted on.

Many states are already moving forward with this type of reform. The following states have mandated some form of searchable budget websites for citizens, and more are in work:

- Georgia
- Hawaii
- Indiana
- Kansas
- Louisiana
- Maryland
- Mississippi
- Missouri
- Nevada
- Oklahoma
- South Carolina
- Texas
- Utah
- Virginia
- Washington

Similar proposals have been introduced as bills in the legislatures of other states. In addition, individual Governors have instituted effective transparency measures on their own by Executive Order. Only those who fear openness have stood in opposition.

Another companion feature in some states that have enacted transparency measures provides for a budget “time out” before votes could occur on appropriations bills. This guarantees that legislators and citizens have an opportunity to digest and comment on budget bills prior to their being voted upon, and prevents the last minute passage of this important legislation without the scrutiny that it deserves.

Current State of Public Budget Information:

So what budget tools are currently available for state taxpayers?

If you have the time and patience to read through hundreds of pages of budget bills and dig through numerous state websites and publications, you might actually find the spending and agency performance information you seek. But even if you think you have found the right page in the right report, reading and understanding what it says is an entirely different matter. Again, the data is theoretically *available* and Montana’s online services have advanced dramatically. But because of the way information is organized and stored it is not *accessible* to someone without government or accounting experience who just wants to see how certain monies are spent and where they came from.

If the state had a searchable budget website, rather than having to dig through thousands of pages of budget documents, each item could be linked to a plain-English explanation of what it means and be further broken down by how the money is spent all the way to the program level. Performance information for the spending could also be included. That way, any citizen with internet access could go to a single source for public spending information at any level of detail.

Budget Transparency Reforms of Note:

Such websites are not merely theoretical. The Texas and Missouri sites shown below illustrate some of what’s been done. In Washington State, one agency, the Department of General Administration, has created a searchable website showing its public contracts that allows users to search for state contracts by keyword, contract number, vendor and expired contracts. Here is what it looks like:

Search contracts

GA General Administration About GA | Jobs
STATE OF WASHINGTON

Home Purchasing & Contracts Doing business with the state Construction & Public Works Facility & Office Services Travel, Cars & Parking Visit the Capitol Surplus

Topic Index | Search []

Last update: 04/27/2007

Advanced contract search

1) Search Using a Keyword
(For example, you might enter "furniture" to find any contracts relating to furniture)

Keyword: [] Search

2) Enter the Contract Number:
Note: You must enter all five characters of the contract number, e.g. 01002 instead of 1002

[] Find Contract

3) Display All Contracts

Sort Contracts by: Title Contract Number Vendor Name

Display Contracts

4) Recently Expired Contracts

These are contracts that have expired within the last 90 days.

Display Contracts

5) Contracts with Recycled Content
Contracts containing products or services that have recycled content or recycle products as a result of the contract.

Display Contracts

6) Select using Organizational Eligibility and/or MWBE Participation

Eligible Contract Users:

Show all contracts
 Washington State Political Subdivision Co-op Members
 Washington State Non-profit Co-op Members
 Oregon Government Co-op Members

Minority (MBE) and Women-owned (WBE) Business Selection Options:

Display All Types MBE Only WBE Only MBE/WBE Only

Sort Contracts by:

Title Contract Number Vendor Name

<http://www.gp.wa.gov/Purchasing/contracts.htm> (1 of 2) 2/4/2007 8:21:13 AM

The following are additional examples of the searchable budget websites and required spending information for the federal government, Texas and Missouri.

**Federal Funding Accountability and Transparency Act
Cost: \$15 million (2007-2011)**

“The Federal Funding Accountability and Transparency Act (FFATA) of 2006 asks the White House Office of Management and Budget (OMB) to lead the development, by January 2008, of a single searchable website, accessible by the public for free that includes for each Federal award:

- the name of the entity receiving the award;
- the amount of the award;
- information on the award including transaction type, funding agency, etc;
- the location of the entity receiving the award;
- a unique identifier of the entity receiving the award.

What is the purpose of the new legislation? To provide the public with information about how their tax dollars are spent. Citizens have a right and need to understand where tax dollars are spent. Collecting data about the various types of contracts, grants and loans in our government will provide a broader picture of and much needed transparency to the Federal spending processes. The ability to look at contracts, grants, loans, and other types of spending across many agencies, in greater detail, is a key ingredient to building public trust in government and credibility in the professionals who use these agreements.”

Texas Searchable State Spending Database

Cost: “No fiscal implication to the state is anticipated.”

Texas State Expenditure Information by Category and Object Code
Fiscal Year: 2007

Expenditure Category	Expenditure Amount
Capital Outlay	\$394,351,494.11
Claims and Judgments	\$84,595,534.61
Communications and Utilities	\$605,387,630.08
Cost of Goods Sold	\$756,494,129.05
Employee Benefits	\$5,755,767,008.44
Highway Construction	\$5,661,407,145.05
Interfund Transfers/Other	\$13,860,078,717.02
Intergovernmental Payments	\$21,583,358,278.87
Investments	\$2,955,163,063.40
Lottery Winnings Paid	\$391,167,831.12
Other Expenditures	\$2,345,754,798.03
Payment of Interest–Debt Service	\$917,544,378.63
Payment on Principal–Debt Service	\$5,753,955,521.60
Printing and Reproduction	\$61,773,204.41
Professional Service and Fees	\$1,960,613,659.07
Public Assistance Payments	\$26,137,770,454.40
Rentals and Leases	\$231,115,824.78
Repairs and Maintenance	\$572,363,877.97
Salaries and Wages	\$9,357,362,216.47
Supplies and Materials	\$822,547,166.77
Travel	\$136,560,442.02
Total	\$100,345,132,375.90

“By October 1, 2007, the comptroller of public accounts (comptroller) is required to establish and post on the Internet a database of state expenditures, including contracts and grants, that is electronically searchable by the public. The database is to include the amount, date, payor, and payee of expenditures; and a listing of state expenditures by object of expense with links to the warrant or check register level and, to the extent maintained by state agency accounting systems in a reportable format, class and item levels. The comptroller, to the extent possible, is to present information in the database established under this section in a manner that is searchable and intuitive to users. The comptroller is to enhance and organize the presentation of the information through the use of graphical representations, such as pie charts, as the comptroller considers appropriate. The database is required at the minimum to allow users to search and aggregate state funding by any element of the information; ascertain through a single search the total amount of state funding awarded to a person by a state agency; and download information yielded by a search of the database.”

Missouri Accountability Portal
Cost: Within existing resources



Payments by Agency

Agency Payments for Fiscal Year 2007 (as of December 03, 2007)

Branch	Agency Name	Payments Total
EXECUTIVE DEPARTMENT	AGRICULTURE	\$31,813,546.32
EXECUTIVE DEPARTMENT	CONSERVATION	\$68,648,122.91
EXECUTIVE DEPARTMENT	CORRECTIONS	\$279,877,976.24
EXECUTIVE DEPARTMENT	ECONOMIC DEVELOPMENT	\$174,094,167.56
EXECUTIVE DEPARTMENT	ELEMENTARY AND SECONDARY EDUCATION	\$4,893,252,163.34
EXECUTIVE DEPARTMENT	HEALTH AND SENIOR SERVICES	\$698,796,367.00
EXECUTIVE DEPARTMENT	HIGHER EDUCATION	\$1,062,578,010.95
EXECUTIVE DEPARTMENT	INSURANCE, FIN INSTITUTIONS AND PROF REGISTRATION	\$2,009,267.01
EXECUTIVE DEPARTMENT	LABOR AND INDUSTRIAL RELATIONS	\$99,218,148.03
EXECUTIVE DEPARTMENT	MENTAL HEALTH	\$759,892,459.17
EXECUTIVE DEPARTMENT	NATURAL RESOURCES	\$234,500,082.04
EXECUTIVE DEPARTMENT	OFFICE OF ADMINISTRATION	\$369,596,080.22
EXECUTIVE DEPARTMENT	PUBLIC SAFETY	\$247,913,068.69
EXECUTIVE DEPARTMENT	REVENUE	\$373,724,618.76
EXECUTIVE DEPARTMENT	SOCIAL SERVICES	\$5,528,171,459.05
EXECUTIVE DEPARTMENT	TRANSPORTATION	\$1,922,237,354.88
EXECUTIVE OFFICES	OFFICE OF ATTORNEY GENERAL	\$6,333,182.25
EXECUTIVE OFFICES	OFFICE OF GOVERNOR	\$384,461.96
EXECUTIVE OFFICES	OFFICE OF LIEUTENANT GOVERNOR	\$337,730.61
EXECUTIVE OFFICES	OFFICE OF SECRETARY OF STATE	\$36,749,292.92
EXECUTIVE OFFICES	OFFICE OF STATE AUDITOR	\$690,801.45
EXECUTIVE OFFICES	OFFICE OF STATE TREASURER	\$863,810.19
JUDICIAL	JUDICIARY	\$44,966,740.94
LEGISLATIVE	LEGISLATURE	\$7,248,855.92

“As of July 11, 2007, the Commissioner of Administration shall establish the Missouri Accountability Portal as a free, internet-based tool allowing citizens to demand fiscal discipline and responsibility.

The Missouri Accountability Portal shall be an easy-to-search database of financial transactions related to the purchase of goods and services and the distribution of funds for state programs.

The Missouri Accountability Portal shall be updated each state business day and maintained as the primary source of information about the activity of Missouri’s government.”

Conclusion:

A free searchable budget transparency website will not cure all budget problems, but it would go a long way toward preventing waste and improving government performance.

Thomas Jefferson knew this long before the advent of the internet. In 1802 he wrote,

“We might hope to see the finances of the Union as clear and intelligible as a merchant’s books, so that every member of Congress and every man of any mind in the Union should be able to comprehend them, to investigate abuses, and consequently to control them.” [1]

Enacting a comprehensive searchable budget website and a budget “time out” period would also help to fulfill the expectation and spirit of our state’s open government Constitutional requirements.

Based on the experiences of other states, implementing this reform would not be expensive, and cost should not dissuade elected officials from moving forward with it. Improving citizen access to information about public spending will not only help improve the budget decision making process of elected officials, but also help connect taxpayers with the spending decisions being made on their behalf. This reform is a win-win for everyone, except possibly for those who fear something embarrassing about public spending might be revealed.

The Montana Policy Institute is a 501(c)(3) policy research organization that equips Montana citizens and decision makers to better evaluate state public policy options from the perspective that policies based upon limited government, individual rights, and individual responsibility will result in the greatest common good.

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[1] Letter to Treasury Secretary Albert Gallatin, 1802