

Pennsylvania Spending Transparency 2.0: Online Tools for Better Government

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Executive Summary

The ability to see how government uses the public purse is fundamental to democracy. Spending transparency checks corruption, bolsters public confidence in government, and promotes fiscal responsibility.

Pennsylvania’s new online government spending Web site – the Contracts e-Library – represents a good first step toward greater transparency. But Pennsylvania has a long way to go to match the spending transparency efforts of leading states in the movement toward “Transparency 2.0” – a new standard of comprehensive, one-stop, one-click budget accountability and accessibility.

With the state in the midst of a budget crisis, it’s especially important for Pennsylvanians to have easy access to information about the state’s expenditures. Pennsylvania should fill in the gaps in government reporting and bring its online transparency up to the level of leading states. Doing so will create savings and will allow Pennsylvanians to hold decision makers in Harrisburg more accountable.

The movement toward Transparency 2.0 is broad, bipartisan, and popular.

➤ *A nationwide wave* – Legislation and executive orders in 32 states have given residents access to online databases of detailed government expenditures, and the federal government has launched similar initiatives. The vast majority of these states have acted over just the last three years.

➤ *Bipartisan efforts* – Transparency legislation has been championed by legislators both Republican and Democratic. In 2009, the Pennsylvania House unanimously passed legislation sponsored by a Democrat to create an enhanced transparency Web site (providing more information than the Contracts e-Library). A similar bill, sponsored by a Republican, passed in the Senate. In 2008, federal legislation to strengthen Web-based spending transparency was co-sponsored in the U.S. Senate by presidential rivals John McCain (R-AZ) and Barack Obama (D-IL).

➤ *Public support* – Republicans, independents and Democrats all support enhanced government transparency by wide margins. When asked about the role of transparency in the federal economic recovery package of early 2009, fully 75 percent of American voters said creating state level Web sites to track funds was “important,” and 34 percent said it was “very important.”

Transparency 2.0 saves money and bolsters citizen confidence.

➤ *Increased civic engagement* – Americans are eager to use transparency Web sites. Houston officials report improved public confidence after the launch of their transparency Web site. The Missouri Accountability Portal received more than 13 million hits in the 18 months after its launch.

- *Low cost* – Spending transparency Web sites can be inexpensive to create and maintain. The federal transparency Web site, which allows Americans to search over \$2 trillion in federal yearly spending, cost less than \$1 million to create. Missouri’s Web site, which allows its residents to search over \$20 billion in state annual spending and is updated daily, was created with already-existing staff and appropriations.
- *Big savings* – Transparency Web sites can save millions through more efficient government operations, fewer information requests, more competitive contracting bids, and lower risk of fraud. In the two years following the launch of its transparency website, the Texas Comptroller reported \$4.8 million in savings from more efficient government administration. Utah estimates millions in savings from reduced information requests. The largest savings may come from the deterrence of waste or abuse of public funds due to enhanced public scrutiny – savings that are impossible to quantify but likely significant.
- *Better-targeted expenditures* – Transparency budget portals allow states to track how well subsidies and tax incentives deliver results. Funds from underperforming projects and programs can be reinvested in more successful programs. By tracking the performance of state subsidies, Minnesota and Illinois have both been able to recapture money from numerous projects that failed to deliver promised results.
- *Better coordination of government contracts* – The Massachusetts’ State Purchasing Agent identifies four sources of savings for state procurement officers: sharing information

with other public purchasers on good deals; avoiding wasteful duplication of bidding and contracting procedures through centralized processes; better enforcement of favorable pricing and contract terms; and focusing cost-cutting in areas where greater resources are spent.

Pennsylvania’s transparency Web site puts the state on the right track, but still has major deficiencies.

- *Good first step into Transparency 2.0* – Pennsylvania’s new Contracts e-Library Web site gives residents access to crucial government accountability information. State contracts are keyword-searchable by department, supplier name, and cost, making it easy for Pennsylvanians to find out information about how government is spending taxpayers’ money.
- *An effective and cheap tool* – The Contracts e-Library Web site cost \$457,000 to create, and lessons from other states indicate that Pennsylvania will recoup this cost through fewer information requests and more efficient government spending.
- *Information on corporate tax breaks and subsidies is incomplete* – The state’s Investment Tracker Web site provides incomplete information on the millions of dollars that Pennsylvania spends each year on corporate tax breaks and subsidies. Data that would allow citizens and officials to evaluate the effectiveness of these subsidies are missing.
- *Contracting data are incomplete* – Contracts are missing from the Contracts e-Library because the state agencies determine which contracts are subject to public disclosure.

No enforcement mechanism exists to ensure that officials comply with the law. This represents a large weakness in the state's transparency efforts.

- *Comprehensive information on contracts is unavailable* – Though Pennsylvania does provide copies of the contracts on the Contracts e-Library, it does not offer other key points of information, such as the competing bids received for each contract or the performance of contractors. This information must be included so that the public can determine if the contracts represent an efficient use of government funds.
- *Transparency information is not centrally located* – Pennsylvania provides a lot of government information on the Web, but most of it is scattered across multiple Web sites and is not in a searchable format. This reduces the ability of citizens who do not already know what they are looking for and where to find it to effectively monitor government spending and find important information.

Pennsylvania should fill in the major holes on its transparency Web site and make the site easier to use, bringing it up to the best practices established by other Transparency 2.0 states.

- *Add corporate tax subsidies* – Pennsylvania should incorporate information on tax sub-

sidies for corporations from the Investment Tracker Web site into its transparency Web site, including the names of the corporations that benefit, the intent of the subsidies, and a measure of whether the subsidies achieved their intended purposes. Given that Pennsylvania spends millions of dollars on tax expenditures, it is essential that the performance of these subsidies is monitored so taxpayers can ensure their money is being used wisely.

- *Include contracts from all agencies* – Pennsylvania should require all agencies to report expenditures on the transparency Web site, and specify penalties for noncompliant agencies.
- *Include comprehensive information on government contracts* – The Contracts e-Library should not only provide copies of the contracts, but it should also offer more detailed information that would allow citizens to fully monitor the contracting process, such as providing information on other bids received, noting whether subcontractors were employed, and analyzing the performance of the contractors.
- *Provide accountability information on one Web site* – Pennsylvania should ensure that all government accountability information is provided on a central Web site.

Introduction

The ability to see how government uses the public purse is fundamental to democracy. Spending transparency checks corruption, bolsters public confidence in government, and promotes fiscal responsibility.

Poor transparency, on the other hand, corrodes democracy. When Americans are unable to access information about public funds, or when that information is difficult to scrutinize, accountability is severely hampered. As the Association of Government Accountants notes, “Without accurate fiscal information, delivered regularly, in an easily-understandable format, citizens lack the knowledge they need to interact with—and cast informed votes for—their leaders. In this regard, a lack of government accountability and transparency undermines democracy and gives rise to cynicism and mistrust.”¹

“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.”

—Thomas Jefferson, 1802

In the private sector, Internet search technology has revolutionized the accessibility and transparency of information. We take for granted

the ability to track deliveries online, to check cell phone minutes and compare real estate on the Web, even to summon – at the click of a mouse – satellite and street-level views of any address. But until recently, when it came to tracking government expenditures online, we were left in the dark.

State governments across the country are changing that. A growing number of states are using powerful Internet search technology to make spending transparency more accessible than ever before. Legislation and executive orders around the country are lifting the electronic veil on where tax dollars go. In 32 states, citizens have access to checkbook-level data on government expenditures, with citizens in most of those states able to access that information through a searchable database. (See Table 1.) These states have come to define “Transparency 2.0” – a new standard of comprehensive, one-stop, one-click budget accountability and accessibility.

Experience from the leading Transparency 2.0 states shows that these Web sites are effective, low-cost tools that bolster citizen confidence, reduce contracting costs, and improve public oversight. The popularity of these sites can be seen in the millions of visits by residents to Missouri’s Accountability Portal Web site and in the increased number of businesses bidding for government contracts on Houston’s transparency Web site.² Meanwhile, Texas’s Comptroller reports her agency saved \$4.8 million and identified an additional \$3.8 million in ex-

pected savings by using its transparency Web site to make its administration more efficient.³

With the ongoing state budget crisis, it is especially important for Pennsylvania to do everything it can to improve transparency. The new 2010-2011 state budget of \$28 billion includes funding cuts to a broad swath of government services at the same time that it boosts spending for economic development by \$600 million, which the state hopes will create 18,000 jobs.⁴ Detailed information on state expenditures is necessary for citizens to understand and weigh in on the hard decisions being made in Harrisburg, and for legislators to evaluate if the state has received the benefits expected from its investments. Improving transparency can also help balance the budget by encouraging efficiency and discouraging corruption.

Pennsylvania has just recently taken a step towards joining the ranks of the Transparency 2.0 states with its new Pennsylvania Contracts e-Library Web site. This Web site is a good step in the right direction, but it has a long way to go in providing all of the information and tools that are necessary for Pennsylvanians to evaluate government expenditures. In order to bring its Web site up to speed, Pennsylvania should ensure that the Contracts e-Library contains information on every contract, analyzes the performance of each contract, and includes all forms of government spending, such as tax subsidies and agency expenditures.

Other states have shown that it is possible to make comprehensive information on government expenditures easily accessible to the public. These states have also found that this level of transparency costs very little, can save the state millions of dollars, and is a very effective tool for the public and government officials alike.

Pennsylvania can reap these benefits as well, by filling in the holes in its transparency site and improving the accessibility of the information already available.

It's time for Pennsylvania to take its transparency efforts to the next level. Acting now would go a long way towards restoring the public trust in government. And a comprehensive transparency Web site could be a powerful tool to help the state reduce the possibility of another fiscal crisis.

Table 1. States with Checkbook-Level Transparency Web Sites

Checkbook-level transparency allows viewing of individual government transactions, akin to viewing the government's checkbook.

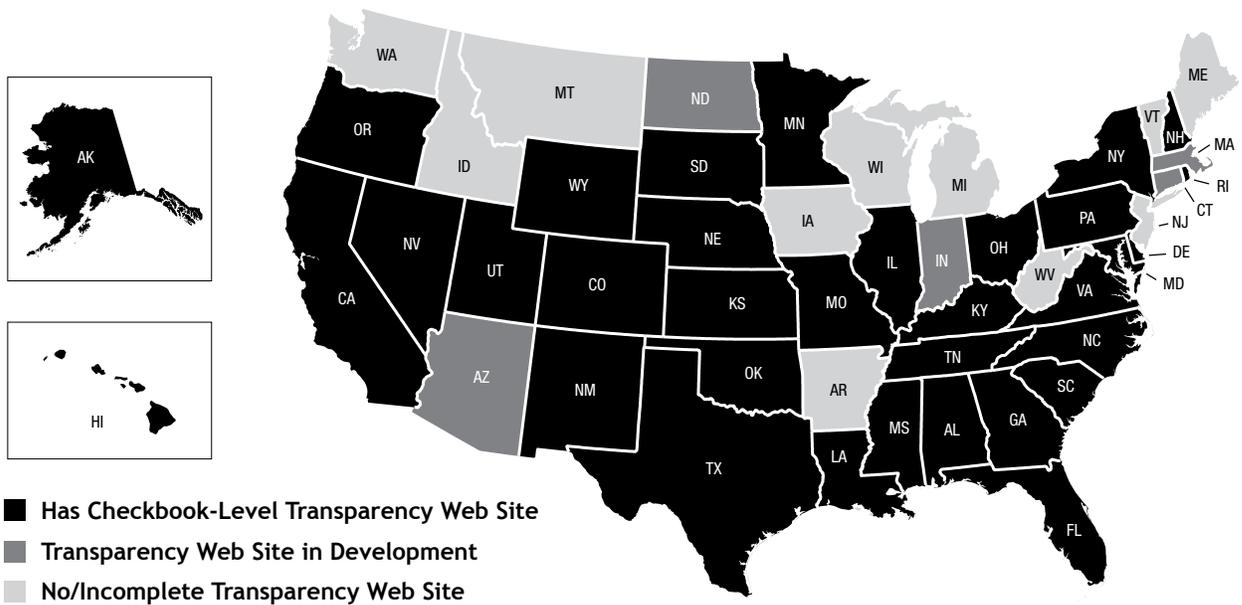
<p>29 states provide checkbook-level information on government expenditures in searchable databases</p>	<p>Alabama, California, Colorado, Delaware, Florida, Georgia, Hawaii, Illinois, Kansas, Kentucky, Louisiana, Maryland, Minnesota, Mississippi, Missouri, Nebraska, Nevada, New Mexico, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Texas, Utah, Virginia, Wyoming</p>
<p>3 states provide checkbook-level information on government expenditures in non-searchable formats</p>	<p>Alaska, Oregon, Tennessee</p>

A Growing Movement: State Governments Are Embracing Web-Based Spending Transparency

Thanks to recent state efforts, government spending is now more transparent than ever before. In the past three years, a nationwide wave of legislation and executive orders has brought Web-based spending transparency to residents of 32 states. (See Figure 1 and Appendix.) Most of these “Transparency 2.0” states provide residents access to a comprehensive, centralized, easily-searchable online database of state government expenditures.

These state efforts have added momentum to the larger Transparency 2.0 movement, which now holds broad-reaching, truly global strength. Already, Americans can monitor federal spending through a new government Web site created by the Federal Funding Accountability and Transparency Act of 2006.⁵ At the same time, a growing number of local and foreign governments have created transparency portals for their residents.⁶ With each new initiative, the Transpar-

Figure 1. 32 States Provide Checkbook-Level Detail on Government Spending



ency 2.0 movement moves closer to its goal of holding every government and its contractors accountable at the click of a mouse.

Transparency 2.0 Initiatives Enjoy Broad, Bipartisan Support

Americans of both political parties overwhelmingly support Web-based spending transparency. A poll of Maryland residents, for example, reported that over 80 percent of Democrats, Republicans, and independents favored legislation to mandate the creation of a comprehensive, searchable Web site of all state spending.⁷ A poll in Oklahoma found similar levels of support.⁸

A poll released by the Association of Government Accountants found that an overwhelming majority – 91 percent – of Americans believes state officials have a responsibility to provide financial information to the public in a way that is understandable to average citizens. Similarly, approximately 75 percent of Americans believe it is very important for government financial management information to be available to the public.⁹

More specifically pertaining to Web-based budget portals, three-quarters of voters (76 percent) believe that “creating a national Web site where citizens can see what companies and government agencies are getting [economic recovery] funds, for what purposes, and the number and quality of jobs being created or saved” would have an important impact on the recovery package, including 39 percent who believe its impact would be extremely important. Support for *state* transparency Web sites to monitor recovery funds received almost equally high marks, again from Republicans, independents

and Democrats: fully 75 percent of American voters said creating state level Web sites to track funds was “important,” and 34 percent said it was “very important.”¹⁰

This is not some abstract desire. Thirty percent of people polled have tried to search the Web for information about how their state government generates and spends taxpayer dollars – searches that often end in frustration.¹¹

The bipartisan public support for these Web sites is reflected in the diverse political sponsorship of Transparency 2.0 initiatives. In Pennsylvania, members of the House unanimously passed legislation proposed by a Democratic sponsor in 2009 to create a searchable database containing all government expenditures worth at least \$1,000.¹² Similar legislation, with a Republican sponsor, passed the Senate, but the bills were not reconciled and thus did not become law. This Web site would have been a significant improvement over the Contracts e-Library. In 2010, 11 Senate Republicans joined 12 House and Senate Democrats in sponsoring legislation that would improve accountability for firms that receive economic development funds.¹³

Elsewhere in the nation, elected officials across the political spectrum – from New York Attorney General Andrew Cuomo to former Missouri Governor Matt Blunt – have championed Web-based spending transparency in their states.¹⁴ Nationally, prior to the 2008 presidential election, opponents Senator John McCain and then-Senator Barack Obama co-sponsored the Strengthening Transparency and Accountability in Federal Spending Act of 2008.¹⁵ Divergent political figures Grover Norquist and Ralph Nader similarly came together in a joint statement to support more understandable and timely online information about government budgets.¹⁶

Americans Are Eager for Transparency 2.0

By the Numbers:

90%

Percent of Americans believe they are entitled to transparent information on how the government manages its finances.

5%

Percent of Americans believe their state government provides understandable financial information.

30%

Percent of Americans have themselves tried to search the Web for information about the financial management of their state government.

Source: Harris Interactive, *Public Attitudes Toward Government Accountability and Transparency 2008*, February 2008, available at <http://www.agacgfm.org/harrispoll2008.aspx>

Transparency 2.0 Is an Effective, Low-Cost Tool

States with good transparency Web sites have found that these sites result in a wide variety of benefits for state residents and the government. Transparency Web sites have not cost states much money, but they have helped governments find ways to save money and meet other goals, and residents use them frequently where they are available.

Taxpayers and businesses use these Web portals. Spending transparency Web sites have proven themselves to be exceptional tools of civic engagement. Less than a year after its launch, the Missouri spending transparency Web site had

received more than six million hits.¹⁷ The Texas spending Web site reported similar engagement.¹⁸ Residents are eager to use transparency Web sites to learn more about public expenditures.¹⁹

Portals save money. In addition to improved public confidence, Transparency 2.0 states realize significant financial returns on their investment. The savings come from sources big and small – more efficient government administration, fewer information requests, more competitive bidding for public projects, and a lower risk of fraud – and can add up to millions of dollars. In Texas, for example, the Comptroller was able to utilize the transparency Web site in its first two years to save \$4.8 million from a variety of efficiencies and cost savings. The Comptroller also identified an additional \$3.8 million in expected savings.²⁰ And after the new transparency Web site was unveiled in South Dakota, an emboldened reporter requested additional information on subsidies that led legislators to save about \$19 million per year by eliminating redundancies in their economic development program.²¹

Estimates suggest that transparency Web sites save millions more by reducing the number of information requests from residents and watchdog groups and by increasing the number of bids for public projects.²² The Utah State Office of Education and the Utah Tax Commission save about \$15,000 a year from reduced information requests, and with over 300 other government agencies, Utah's total savings are likely to be in the hundreds of thousands of dollars.²³ South Carolina estimates savings of tens of thousands of dollars thanks to a two-thirds drop in open records requests after creation of the state's transparency Web site.²⁴ Texas began receiving lower bids for contracts after making contracting information available to the public.²⁵

Transparency Web sites can help reduce fraud and misspending. Kansas legislators have begun to use their transparency Web site to identify questionable payments, and have begun holding hearings to question agencies about expensive building leases, out-of-state travel, and out-of-state contracts.²⁶ When combined with “claw-back” legislation designed to recoup money from businesses that do not produce promised results in return for subsidies, the added transparency in contracting can produce even greater savings.²⁷

Online transparency offers increased support for a range of indirect public policy goals, including promotion of community investment and affirmative action goals. Governments often stumble when trying to meet community investment and affirmative action goals because public managers struggle to benchmark agencies, spread best practices, or identify contractors that advance these goals. Spending transparency portals allow states to better measure and manage the progress of public policy initiatives like affirmative action programs. Massachusetts’ Comm-PASS procurement Web site, for example, allows tracking of which recipients of government contracts are women and minority-owned businesses.²⁸

By providing a single, one-stop destination for public procurement, the system encourages more companies to bid on public projects. This improves quality, keeps prices down, and opens up the system beyond what could otherwise be an “old boy network” of usual bidders who know the system. Advancing similar goals, Rhode Island has passed legislation that requires subsidy recipients to describe their plans to stimulate hiring from the host community, to train employees or potential employees, and to reach out to minority job applicants and minority businesses.²⁹

Online transparency costs little. The benefits of transparency Web sites have come with a surprisingly low price tag. The federal transparency Web site – which allows Americans to search federal spending totaling over \$2 trillion a year – cost less than \$1 million to create. Missouri’s Web site – which is updated daily and allows its residents to search state spending totaling over \$20 billion a year – was created entirely with existing staff and revenues.³⁰ Nebraska has spent \$38,000 for the first two phases of its Web site.³¹ Oklahoma’s Office of State Finance created its transparency Web site with \$40,000 from its existing budget.³² (See Table 2.)

Table 2. Cost to Create a Transparency Web Site

United States of America	Less than \$1 million
Alaska	\$15,000-\$25,000 from existing budget
California	\$21,000
Florida	Existing budget
Kansas	\$100,000 from existing budget
Kentucky	Funds from existing budget to develop, \$150,000 additional budgeted to implement
Louisiana	\$1,000,000
Maryland	Less than \$100,000
Missouri	\$293,140 from existing budget
Nebraska	\$38,000
Nevada	\$78,000
Oklahoma	\$8,000 plus existing staff time
Oregon	Existing budget
Pennsylvania	\$456,850
Rhode Island	Existing budget
South Carolina	\$310,000, from existing budget
Texas	\$310,000
Utah	\$192,800, plus existing staff time
Washington	\$300,000

Leading States Have Developed Best Practices

As leading states gain experience in Transparency 2.0 initiatives, they have produced a set of best practices. States at the cutting edge of Transparency 2.0 now offer transparency that

is comprehensive, one-stop, and one-click – a major improvement from the incomplete, scattered and difficult-to-find information typical of “Transparency 1.0” states.

Table 3. Transparency 2.0 Best Practices

✓ COMPREHENSIVE	
<p>ALL EXPENDITURES</p> <ul style="list-style-type: none"> ➤ Checkbook level detail <p>CONTRACTS, GRANTS, SUBCONTRACTS AND DISCRETIONARY SPENDING</p> <ul style="list-style-type: none"> ➤ Purpose of each contract ➤ Location of businesses receiving contracts ➤ Subcontractor spending ➤ All government entities, including localities and independent agencies ➤ No minimum threshold for reporting ➤ Information updated regularly 	<p>SUBSIDIES</p> <ul style="list-style-type: none"> ➤ Detailed information on number and quality of jobs created ➤ Information on whether companies have relocated, and from where ➤ Purpose and performance of each subsidy ➤ Disclosure of performance connected to programs to recapture subsidies when promises not kept ➤ Includes all forms of subsidies including direct payment, tax benefits and infrastructure assistance ➤ No minimum threshold for reporting ➤ Information disclosed before approvals are finalized ➤ Synthesized in a unified economic development budget
✓ ONE-STOP	
Single Web site discloses comprehensive information on expenditures, including contracts, tax credits and other subsidies.	
✓ ONE-CLICK SEARCHABLE	
Users can browse by broad, common-sense categories and make directed keyword and field searches.	

Comprehensive

Transparency Web sites in the leading states offer spending information that is both broad and detailed. In contrast to Transparency 1.0 states – which may offer only partial information about government contracts online – leading Transparency 2.0 states provide user-friendly searches of a comprehensive range of government expenditures, including detailed information about government contracts with private providers, subsidies, and grants. Transparency 2.0 states include all expenditures in their Web sites.

Contracts, Grants, Subcontracts, and Discretionary Spending

Many public goods and services are provided under contract by private companies, and many government agencies now spend well over half their budget on contractors.³⁴ These contractors are generally subject to fewer public accountability rules, such as sunshine laws, civil servant reporting requirements, and freedom of information requests. It is therefore particularly important that states provide comprehensive online transparency and accountability for all contract spending.

► Leading states disclose **detailed information** for each contract with specific private companies and nonprofit organizations. Hawaii's transparency Web site, for instance, discloses the name of the entity receiving the award, the amount of the award, the transaction type, the funding agency, and agency contact information.³⁵ The ability to track the location of entities receiving government contracts gives important information about

which legislative districts are receiving government contracts and how trends are likely to affect the future capacity to fulfill these contracts. All states exempt state and federal public assistance payments to individuals, as well as any information that is confidential under state or federal law.

► Leading states track the **purpose** of contracts. Both Texas and Hawaii list the purpose of each expenditure on their Web sites.³⁶ Establishing goals and benchmarks allows public managers in leading states to drive improved contracting performance and allows the public to track patterns in the awarding of contracts.

► Leading states track **subcontractors** since these entities may perform most of the work and receive most of the profit as part of a government contract. Hawaii mandated the creation of a pilot program to test the implementation of a sub-award reporting program across the state, and required that all subcontracts be disclosed by January 1, 2010.³⁷ At the federal level, the Federal Funding Accountability and Transparency Act of 2006 requires that all sub-grants be disclosed on the federal transparency Web site.³⁸

► Leading states disclose spending by **all government agencies**. Many Transparency 2.0 states require all government agencies, including independent authorities and institutes of higher education, to disclose their spending.³⁹ Lawmakers in several states have also proposed legislation mandating local spending transparency.⁴⁰ Extending transparency to the county and municipal level makes sense given that the volume of spending by local governments equals that of state governments.⁴¹ Several counties have inde-

pendently created their own online transparency portals.⁴²

- Leading states disclose **all spending, without a minimum threshold**. Kansas and Missouri both disclose spending by every entity, regardless of that entity's cumulative funding from the state.⁴³ The governor of Kentucky has promised that any expenditure information subject to the Open Records Act will be on the Web site.⁴⁴
- Leading states disclose **timely information**. Missouri and Kentucky have set the standard for disclosure timeliness by updating their Web sites daily.⁴⁵
- Leading states disclose **all bids** for each contract. Disclosing all bids – rather than just the winning bid – for each contract allows residents to have complete confidence in the awarding process.
- Leading states disclose contract data that **tracks performance of public policy goals**. Government contracting agencies are expected to deliver performance in a variety of ways. Tracking and disclosing information about attainment of public mandates helps to ratchet up performance, identify trouble spots, and nurture best practices in contracting. Government agencies also benefit from more readily identifying minority-owned contractors. The Massachusetts' procurement Web site for statewide contracts labels minority and women-owned vendors with a special icon to allow Bay Staters and agencies to quickly track this information.⁴⁶
- **Active and past contracts** are disclosed in leading states, allowing residents, including state and local officials, to track patterns in

the awarding of contracts and to measure current contracts against benchmarks. Many states already disclose this information on their procurement Web sites. Leading Transparency 2.0 states, like Missouri, link those procurement databases to the spending transparency portal.⁴⁷

Subsidies

State and local governments allocate billions of dollars in subsidies each year, yet most governments still don't disclose information about these expenditures.⁴⁸ Unmeasured, the performance of these subsidies remains unmanaged and unaccountable. Special tax breaks and credits are especially in need of disclosure because they typically receive much less oversight. Once created, these have the same bottom-line effect on public budgets as direct appropriations; yet they often escape oversight because they are not included in state budgets and do not require legislative approval to renew. In the rare cases when unexpected audits of subsidy programs are conducted, they are often shown to fall short of promised results. For instance, a *Milwaukee Journal Sentinel* investigative report in 2007 examined 25 Wisconsin companies that were awarded \$80 million in subsidies and found that, overall, the companies fell about 40 percent short on their job creation promises.⁴⁹

Unfortunately, public incentives and subsidies to particular business too often get approved under the mantle of secrecy. Negotiations for a new Google facility in Lenoir, North Carolina, required over 70 local officials to sign non-disclosure agreements saying they would not talk about the project, at the same time that \$260 million in public subsidies were allocated to the project.⁵⁰ Such arrangements short-circuit

Tracking the Bottom Line: Tax Subsidies Are Expenditures

One way governments allocate resources is through “tax expenditures.” Special tax breaks have the same effect on budgets as direct spending because government must cut other public programs or raise other taxes to avoid a deficit. In order to increase transparency, Congress’ 1974 Budget Act established the practice of measuring proxy spending programs conducted through the tax code. Congress defined tax expenditure as:

Revenue losses attributable to provisions of Federal income tax laws which allow a special exclusion, exemption, or deduction from gross income or which provide a special credit, a preferential rate of tax, or a deferral of tax liability.

States similarly provide tax expenditures through new rules for special revenue reductions on state taxes. These include special breaks on sales taxes, property taxes, real estate transfer taxes, corporate income taxes, or payroll taxes.

Tax expenditures act as a hidden drain on state budgets because they do not require yearly approval, unlike most government expenditures. Thus, when a tax credit or subsidy is enacted into law, it often stays on the books for many years with little scrutiny. Certain states have attempted to regulate these expenditures by providing tax reports online, while others have taken more dramatic actions. Oregon, for example, enacted legislation in 2009 that requires the forced expiration of most of its tax credits between 2011 and 2015. The expiration of these credits will give the legislature an incentive to analyze their efficacy before reenacting them into law.

the democratic process because the public, including local and state officials, remains uninformed and cannot hold responsible representatives accountable.

Leading states offer best practices on providing transparency and accountability for all forms of subsidies, including tax benefits, direct grants, low-interest loans, infrastructure improvements, and other incentives.⁵¹ Transparency for subsidies in leading states has a number of characteristics:

- **Detailed information** disclosed about each subsidy in order to guide future decision making and enhance accountability. For instance, Minnesota mandates the disclosure of the type and amount of subsidies and the number of jobs created, as well as the hourly wage of each job created and the cost of health insurance provided by the employer. Thus, while states around the country often justify subsidies by the jobs they promise to create, Minnesota can evaluate how many jobs they actually do create, as well as the

quality of those jobs. Minnesota similarly tracks information that helps determine whether subsidies are increasing the number of jobs in-state or merely encouraging companies to relocate within the state for higher subsidies. Minnesota mandates disclosure of: the location of the recipient prior to receiving the business subsidy; the number of employees who ceased to be employed by the recipient when the recipient relocated to become eligible for the business subsidy; why the recipient may not have completed a project outlined in a prior subsidy agreement at their previous location; and if the recipient was previously located at another site in Minnesota.⁵² Likewise, Minnesota mandates disclosure of the name and address of the recipient's parent corporation, if any, and a list of all other financial assistance to the project and its source. This information makes it clear which companies are already receiving other public subsidies through their affiliates or through other agencies.

- ▶ **Purposes and performance** of each subsidy tracked. Public decision makers can only manage what they can benchmark or otherwise measure. Rhode Island requires subsidy recipients to file reports on the status of their program each fiscal year, which are made available to the public. These include information on the number of jobs created, the benefits provided with those jobs, and goals for future job creation and retention.⁵³ Minnesota mandates the disclosure of the public purpose of the subsidy as well as the date the job and wage goals will be reached, a statement of goals identified in the subsidy agreement and an update on achievement of those goals.⁵⁴ Likewise, Illinois discloses performance and accountability information in

a searchable format with annual progress reports online.⁵⁵

- ▶ **Mechanisms to recapture subsidies from companies that do not deliver** on promises are connected to information about performance on agreed-upon goals. Such provisions provide a kind of taxpayer money-back guarantee to ensure that public monies paid to private entities achieve their public goals. Oklahoma, for example, recently enacted a provision to allow the state to recapture the value of certain manufacturing subsidies after one company, Mercury Marine, used the Oklahoma subsidies to get concessions from its workers and state and local governments in Wisconsin before permanently moving to that state.⁵⁶ Among the other states with these “clawback” programs tied to public disclosure of subsidy performance are Illinois and Minnesota, and those with provisions for some subsidies are Arizona, Colorado, Connecticut, Georgia, Iowa, Maine, Maryland, Massachusetts, Michigan, Nebraska, Nevada, North Carolina, North Dakota, Ohio, Oregon, South Carolina, Vermont, Virginia, and West Virginia.⁵⁷ Pennsylvania includes clawback provisions in its subsidy contracts, but does not consistently enforce them.⁵⁸
- ▶ **Subsidies from a broad range of public sources** are disclosed. These may include local governments or independent authorities. North Dakota's Century Code requires the reporting of subsidies from the state or any political subdivision – though, unfortunately, that information has not yet been integrated into a broader transparency Web site.⁵⁹
- ▶ **Information is disclosed before subsidies are granted.** Subsidy disclosure is most ef-

fective when residents can use information to weigh in *before* subsidies receive final approval. Rhode Island's recent legislation requires the preparation and public release – prior to finalization of the agreement – of an analysis of the impact of the proposed subsidy on the state.⁶⁰ Minnesota goes further and requires notice and hearing for large subsidy grants.⁶¹

- **Unified economic development budgets** are compiled and published by leading states, enabling decision makers to see how subsidies are distributed from various public agencies between regions, industries, and companies. In the absence of such a unified view, decision makers cannot target where subsidies will be most effective because they have no way to know how or where other subsidies from other programs get allocated.⁶² Most recently, Rhode Island and New Jersey mandated the disclosure of their unified economic development budgets online.

One-Stop

Transparency Web sites in leading states offer a single central Web site where residents can search all government expenditures. In many Transparency 1.0 states, particular public officials volunteer to disclose information about their finances, or a patchwork of disclosure laws gives residents the right to obtain much information about government expenditures.⁶³ But in order to exercise that right, residents have to access numerous Web sites, go to several agency offices, read through dense reports, and perhaps make formal information requests.⁶⁴ Transparency 2.0 states, by contrast, disclose all information about government expenditures on a single Web site. With one-stop transpar-

ency, residents, including local and state officials, in these states can access comprehensive information on direct spending, contracts, tax preferences, and other subsidies.

One-stop transparency can also produce big savings. For contracts, the centralized collection and disclosure of government spending data allows purchasing agents to find savings more efficiently. Massachusetts's State Purchasing Agent identifies four ways that centralized spending transparency improves coordination: state procurement officers know where the most money is spent and can focus negotiation resources; purchasing agents can share information on good deals, harnessing the power of the market; purchasing agents can avoid duplication of procurement efforts; and purchasing agents can more easily enforce Most Favored Pricing and similar contract terms.⁶⁵

One-stop transparency is perhaps most important in the oversight of subsidies. Subsidies come in a dizzying variation of forms – including direct cash transfers, loans, equity investments, contributions of property or infrastructure, reductions or deferrals of taxes or fees, guarantees of loans or leases, and preferential use of government facilities – and are administered by countless government agencies.

Because many subsidies are not publicly reported at all, determining the total subsidy assistance a company receives can be nearly impossible. In order to determine the amount of subsidy assistance received by Wal-Mart, for example, the organization Good Jobs First resorted to searching local newspaper archives and contacting numerous local officials directly. They tabulated well over \$1 billion in subsidies nationally from state and local governments.⁶⁶ Whether or not these amounts are considered

excessive, making the information publicly available will improve decision making about subsidies in the future.

The scattered nature of subsidy expenditures makes coordination and oversight of these programs crucial. States that make comprehensive disclosure of all subsidies a high priority include Minnesota, Illinois, Iowa, New Jersey, and Rhode Island.⁶⁷ The experiences of these states show that the one-stop nature of spending transparency portals is successful at improving coordination of subsidies. When Minnesota began to require agencies to submit reports on the performance of subsidized projects, the reports revealed that numerous projects were receiving assistance from two or more funding sources – that is, Minnesota taxpayers were double- and triple-paying for the creation of some jobs. After the centralized publication of those reports, the double-dipping stopped.⁶⁸

One-Click Searchable

Transparent information is only as useful as it is easily accessible, which means easily searchable.

Transparency Web sites in the leading states offer a range of search and sort functions that allow residents to navigate complex expenditure data with a single click of the mouse. In Transparency 1.0 states, residents who don't already know government funding flows are stymied by inscrutable layers of subcategories, jurisdictions, and data that can't be readily compared. Transparency 2.0 states, by contrast, allow residents both to browse information by broad, common-sense categories and to make directed keyword and field searches.

Best practices of Transparency 2.0 states include allowing residents to browse expenditures by broad category and to make directed searches. At the federal spending transparency portal, for instance, Americans can browse spending by agency, contractor, legislative district, competition type, or product provided – and advanced search options allow residents to make directed searches of each broad category.⁶⁹ Missouri's Web site allows residents to browse spending by agency or purpose and to browse tax credits by legislative district or purpose – and residents can make directed searches for specific vendors, contracts, or tax credit recipients.⁷⁰

Pennsylvania's Transparency Web Sites:

A Good Foundation That the State Should Build on

In 2008, Pennsylvania dramatically improved government transparency with the passage of Act 3, otherwise known as the Right-to-Know Law. This piece of legislation, which took effect on January 1, 2009, was a big step forward in improving the ability of citizens to monitor government spending. It does this by expanding the amount of information available to the public, enlarging the number of government agencies and other bodies that are subject to disclosure laws, and establishing a standard in favor of disclosure. The law is an historic step towards improving transparency, and drastically increases the ability of citizens and watchdog groups to hold the government accountable.

A key provision of the law mandates the creation of a searchable database for most government contracts. The new Web site, known as the Pennsylvania Contracts e-Library, is the state's first major step towards becoming a Transparency 2.0 state. The Contracts e-Library allows citizens to easily view important accountability information, such as the cost and purpose of contracts.

However, the Contracts e-Library still leaves significant holes that limit its value as a source of transparency. Most importantly, the Web site does not provide enough information to evaluate the value and propriety of government spending. Information that would enhance the ability of the public to monitor government spending includes listing information on non-winning bids and the performance of the chosen contractor. Some contracts are also missing from the database, either because the funding agency has been exempt from disclosure laws, or because the agencies have not been adequately compelled to submit their information.

Similarly, while Pennsylvania makes available information on corporate subsidies through its Investment Tracker Web site that allows for the monitoring of some economic development incentives, the information is not provided on or linked to the state's main transparency Web site. In addition, the Web site does not contain comprehensive information that would allow government officials or concerned residents to properly monitor the performance of the tax subsidies.

Accessing Contracts: The Contracts e-Library

“Unless otherwise provided by law, a public record shall be accessible for inspection and duplication by a requester in accordance with this act.” Commonwealth of Pennsylvania Right to Know Law, Act 3 of 2008

Pennsylvania’s new Web site is a commendable first foray into Transparency 2.0. The site is well organized and discloses comprehensive information on state contracts. Pennsylvanians will benefit from this site, which puts important government accountability information at every citizen’s fingertips.

The Contracts e-Library catalogues almost every state agency and legislative contract worth at least \$5,000. The Web site provides copies of the contracts along with summaries that contain pertinent information, such as the value of the contract, the name of the vendor, the funding agency, the contract dates, and the purpose of the contract. The Web site allows citizens to search for contracts by these categories, or to make a directed keyword search. In addition, the Contracts e-Library provides links to related documents, such as amendments or purchase orders, which allows citizens to follow the evolution of a particular contract.⁷¹ (See Figures 2, 3, and 4 for images from the Contracts e-Library.)

The Pennsylvania Department of Treasury is responsible for maintaining the transparency Web site, though individual agencies are required to provide the necessary documents and ensure their accuracy. Agencies are required to file their contract information with the Treasury Department within 10 days of the contract’s execution.

Pennsylvania’s transparency Web site gives citizens the ability to monitor the government at little cost. The Contracts e-Library, which went online on July 22, 2008, cost the state approximately \$456,850 to establish.⁷² The experience of most states indicates that this money will quickly be recouped through fewer information requests and more efficient government spending. Terry Mutchler, the executive director of the Pennsylvania Office of Open Records, has stated that her agency will be able to save time, money and effort by providing more information online.⁷³

Making it easy for Pennsylvanians to access information about the government’s use of money is good for the state. It bolsters trust in government and gives residents the tools they need to evaluate the decisions being made in Harrisburg. Transparency is always fundamental to a healthy democracy, but these benefits are especially valuable during times of budgetary crisis. Launching the new Contracts e-Library Web site was the right step for the state to take at a critical moment.

Figure 2. Main Search Page of Contracts e-Library Web Site



Figure 3. List of Sample Search Results from Contracts e-Library

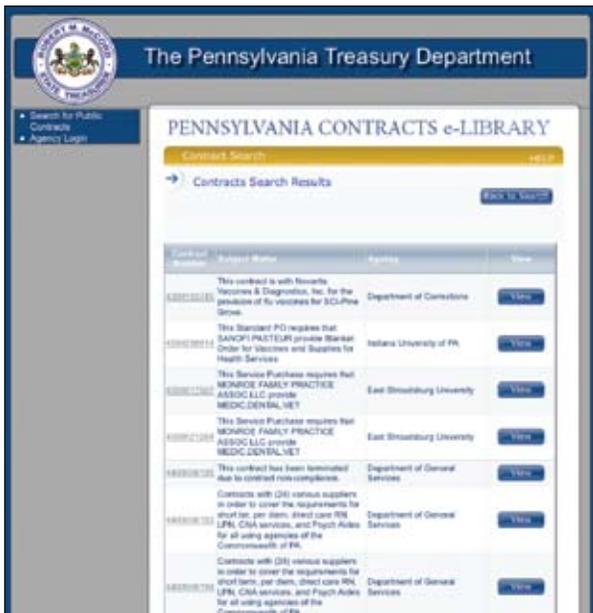
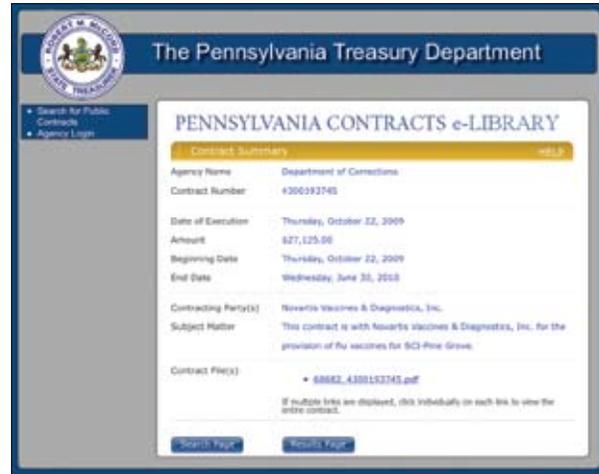


Figure 4. Detailed Results of One Contract from Sample Search



Accessing Subsidies: Investment Tracker

In addition to the Contracts e-Library, Pennsylvania operates a separate Web site, called the Investment Tracker, which provides company-specific information on certain tax subsidies. The Investment Tracker includes the name of the entity receiving funds, a very brief description of what the funds will be used for, through what program they are receiving funds, what county the entity is located in, how many jobs the entity currently offers and how many it plans to create, and how much money it has received.⁷⁴

Investment Tracker can be searched by county, by a particular loan or grant program, by the name of the recipient, by the date of the grant period, and/or by a specific project.

Figure 5. Main Search Page of Investments Tracker Web Site

Needed Improvements

There are still some critical holes in Pennsylvania’s online transparency efforts. The Contracts e-Library site does not include information on corporate tax breaks and subsidies, nor does it provide complete contract information from the state agencies. This information is important because it allows residents and watchdog groups to more properly monitor spending and hold government officials accountable.

Information on tax subsidies is not easily available. Data on subsidies in the Investment Tracker are not integrated into the Contracts e-Library. Including all information in one place would

make it easier for legislators and citizens to review all elements of the government’s budget.

To fix these problems, Pennsylvania should:

- Provide the Treasury Department with an enforcement mechanism to ensure that all agencies report all contracting information in the Contracts e-Library;
- Increase the level of detail posted on the Contracts e-Library site and the Investment Tracker site;
- Post data on tax breaks provided to individual companies; and

- Integrate the data on Contracts e-Library, Investment Tracker, and various agency Web sites into a single transparency site.

The Right-to-Know Law Needs Clearer Standards, Enforcement Mechanisms

The Right-to-Know Law that created the Contracts e-Library requires government agencies and the Legislature to submit all contracts to the Department of Treasury to be catalogued on the database.⁷⁵ The law does not, however, provide the Treasury Department with an enforcement mechanism nor specify any penalties for non-compliant agencies. In addition, each agency is empowered to determine which of its contracts are subject to the public disclosure law, and to ensure their accuracy.

This lack of clear standards creates many holes in the state's transparency Web site. Allowing individual agencies to determine which contracts to make available to the public increases the likelihood that some government officials will err on the side of providing too little information. This decreases the effectiveness of the Web site as a monitoring tool. Similarly, the Treasury Department's inability to enforce the disclosure of public records makes it more likely that contracts will be missing from the database.

For a transparency Web portal to be effective, all contracts must be posted online in a uniform manner. Allowing individual agencies to decide what information to provide, and not having any mechanism to hold them accountable, increases the likelihood that insufficient information will be provided to citizens and decrease the effectiveness of the Web site as a monitoring tool.

The Contracts e-Library Should Include More Detailed Contract Information

While the Contracts e-Library makes some important accountability information accessible to the public, it is not designed to provide oversight for the contracting process. The best Transparency 2.0 sites provide comprehensive information on contracts throughout the entire process – including bids, subcontracting, and performance evaluation. This level of information allows citizens, government officials, and watchdog groups to monitor the contracting process and ensure the government is getting the best deal for taxpayers' money.

The Contracts e-Library falls far short of these standards. Though the Web site does allow citizens to view the actual contracts, the information is only posted after a deal has been executed. Thus, there is no information available about the bidding process. Similarly, after a contract has been awarded most agencies fail to disclose other relevant information, such as the performance of the contractor or whether subcontracting was used. This information is vital to monitoring government spending – if citizens cannot track the money and verify the outcomes of the contracts, they will not be able to ensure their tax dollars are being used effectively.

In addition, all contracts, regardless of their value, should be posted on the Contracts e-Library. Currently, Pennsylvania only requires the posting of contracts worth at least \$5,000, which leaves a significant portion of government spending unavailable for public scrutiny. The leading Transparency 2.0 states have improved their transparency efforts by making all government spending information available to the public. Pennsylvania should follow the prac-

tices of these states to ensure that all government spending is subject to external monitors.

Finally, old contracts should be archived on the database. Currently the database only provides information on contracts executed since July 1, 2008. Posting older contracts on the Web site will enable citizens to more effectively monitor government spending over time and glean useful information from spending trends.

Other states have saved millions of dollars by providing this accountability information. James Quintero, a fiscal policy analyst for the Texas Public Policy Foundation, found that Texas began to receive lower bids for its contracts after making information about the contracting process available to the general public.⁷⁶

Investment Tracker Needs More Detail to Hold Subsidy Recipients Accountable

Pennsylvanians spend millions of dollars on corporate tax breaks each year, and likely millions more on subsidies targeted at specific companies, yet information about the subsidies is difficult to find and understand. A small investment in better disclosure of those subsidies and tax breaks could ensure that the state receives the greatest benefit from its spending.

The usefulness of the Investment Tracker Web site is limited because it does not provide essential accountability information that would allow citizens to judge the efficacy of tax breaks. The Investment Tracker Web site needs to include more details, including:

- the number of jobs created,

- the wages and benefits of those positions,
- the addresses where the jobs are located,
- the type of industry the recipient is involved in, and
- whether the recipient was required to repay any funds to the state if it failed to achieve the wage and job-creation goals it had promised.

In addition to providing more detail about subsidies and grants already reported in the Investment Tracker, the Web site should include additional subsidies, such as local tax exemptions or Keystone Opportunity zone tax breaks.

A number of states already provide this information about their subsidies. Illinois' Corporate Accountability Web site, for example, posts a report from every company that has received economic development assistance from the state each year. The report lists the number of jobs the assistance was intended to create and what was actually achieved through the report year, and it requires companies to account for any discrepancies between the two. It also lists the total amount of assistance, the types of jobs added, and the average salary for each job type.⁷⁷

Adding this information would be relatively simple because the Department of Community and Economic Development already has most of it in its internal databases.⁷⁸ The department would need to update the application that companies must submit when applying for assistance, and then require them to submit updated information using that form during the course of the grant period.

An additional shortcoming of both the Contracts e-Library and the Investment Tracker is that neither includes data on tax subsidies targeted to individual businesses, such as large tax incentive packages given to companies that consider relocating in the state. Though some of this information is presented in the Tax Expenditure Analysis in the Governor's Budget, that report fails to specify how tax subsidies are allocated across industries, geography or political districts, and it does not provide specific information on the public benefits of individual subsidies. The entry on the Job Creation Tax Credit, for example, lists its value as \$22.5 million in fiscal year 2011 and states that 120 companies will benefit from the expenditure. However, there is no information about the number of jobs that will be created or the historical efficacy of the program. This severely limits the ability of the public to monitor tax subsidies and ensure they are efficient and effective uses of government money. Data on tax subsidies should be available online.

It is crucial for the public to have information about corporate tax breaks and subsidies, both in terms of their cost and their effectiveness. Pennsylvanians know the cost of only some corporate tax breaks, and the effectiveness of none. This information is especially important in Pennsylvania because the state has a "claw-back" provision that would allow it to recoup money from companies that do not meet stated goals on job creation. If this information were provided on a central transparency Web site, government officials would be able to monitor

the performance of companies and ensure they are using state money effectively.

Unfortunately, though, the state often grants large financial incentive packages to private companies to create jobs without any accountability or follow-up. For example, the state granted Cabela's, a large hunting, fishing and outdoor supply retailer, a \$32 million package to locate one of its stores in Hamburg, PA. In exchange for the tax breaks, Cabela's promised to create jobs and attract out-of-state tourists to Pennsylvania, thus boosting tax revenue. However, a few years after the deal was finalized, the *Allentown Morning Call* newspaper was unable to determine if the company was meeting its stated goals because no public official was tracking the outcome of the agreement.⁷⁹ Thus, the state may have been eligible to recoup millions of dollars from the company, but failed to do so because the information was not available.

Pennsylvania should be analyzing the effects of these sorts of tax breaks and other subsidies, and making that information available on the transparency Web site along with the original measurable goals of the program. It should also include company-level information on the cost of all programs, including those targeting specific industries and companies, and include local subsidies in addition to state expenditures. And this information should be made available in a format that can be organized, such as by industry and geography, and easily searchable on the state's main transparency Web site.

Pennsylvania Needs a One-Stop Destination for Accountability Information

In terms of the information that it puts online, Pennsylvania ranks ahead of most state governments. However, the state tends to provide its transparency information in a piecemeal approach, spread across numerous Web sites and departments, which means it is not nearly as useful as it could be. Requiring individuals to go to multiple Web sites to view government accountability information decreases their power as external monitors. In addition, not all information that should be online has been posted.

The Contracts e-Library should include contracting information from all agencies. While most agencies are required to place their contracts on the Contracts e-Library, the Justice Department, for example, actually hosts a separate Web site to display its contracts. Similarly, the Governor's Executive Budget is only provided on the Governor's Office Web site, while the Department of Community and Economic Development hosts its own Web site to display information about the subsidies it provides.

Another major shortcoming of the Contracts e-Library is that it only provides information on government contracts. The Web site is not integrated with departmental budgets, nor does it include other government spending infor-

mation. In contrast, the California Reporting Transparency in Government site provides information on contracts, travel expense claims, audits and Statements of Economic Interest, which are legal documents that agency heads and other important staff use to report any financial gifts they've received, investments they hold, or other types of financial interests. Providing this information on the Contracts e-Library would allow citizens to more effectively monitor government expenditures.

Similarly, Pennsylvania should include comprehensive subsidy and tax expenditure information on the same Web site that has contracting and other government spending data. Though the Contracts e-Library was originally intended only as a database for contracts, Pennsylvania can transform it into a more effective transparency tool by providing searchable, company-level information on all agency expenditures and tax subsidies.

Pennsylvania should incorporate all contracts, agency budgets and expenses, subsidies and tax expenditure reports on a central, searchable transparency Web site. This would allow citizens, government officials, and watchdog groups to more easily monitor government spending. As the experiences of other Transparency 2.0 states indicate, providing all accountability information on a single site will improve government efficiency and identify numerous cost saving measures.

Table 3. Pennsylvania Has Not Yet Achieved Transparency 2.0

Transparency 1.0	<i>Pennsylvania</i>	Transparency 2.0
<p>Incomplete: Residents have access to only limited information about public expenditures. Information about contracts, subsidies, or grants is not disclosed online and often not collected at all.</p>	<p><i>The Contracts e-Library is incomplete. Missing information includes: certain contracts; performance measures, such as the number of jobs created; the use of subcontractors; other bids received for each project; tax subsidies and economic development incentives.</i></p>	<p>Comprehensive: User-friendly web portal provides residents a single location to search for detailed information about government contracts, spending, subsidies, and grants.</p>
<p>Scattered: Determined residents who visit numerous agency Web sites or make public record requests may be able to gather information on government expenditures, including contracts, subsidies, and special tax breaks.</p>	<p><i>Pennsylvania provides accountability information in numerous places: the Contracts e-Library, The Governor’s Executive Budget, the Investment Tracker, the Justice Department’s spending Web site, and the Department of Community and Economic Development site.</i></p>	<p>One-Stop: Residents can search all government expenditures on a single Web site.</p>
<p>Tool for Informed Insiders: Researchers who know what they are looking for and already understand the structure of government programs can dig through reports for data buried through layers of subcategories and jurisdictions.</p>	<p><i>The Contracts e-Library is one-click searchable and user friendly. Residents can search the database by the name of the contractor or purchase type.</i></p>	<p>One-Click Searchable: Residents can search data with a single query or browse common-sense categories. Residents can sort data on government spending by recipient, amount, legislative district, granting agency, purpose, or keyword.</p>

Conclusion

Transparency 2.0 – a broad bipartisan movement for online government spending transparency – is growing. In the past few years, 32 states and the federal government have upgraded their spending transparency websites, making them comprehensive, one-stop, and one-click searchable. Many of these states report already reaping the benefits of this greater transparency, saving millions of dollars and bolstering the confidence of residents and businesses.

Especially in the midst of a budget crisis, Pennsylvania should be doing all it can to ensure that residents have easy access to information about how the state is spending its money. The Con-

tracts e-Library Web site is a commendable first step, but the state still has a long way to go compared with the standard established by leading states. The site is missing detailed analysis of contracts and corporate tax breaks, as well as other accountability information.

Pennsylvania should fill in these major holes and bring the site's accessibility up to speed. Providing a cutting-edge comprehensive transparency Web site for Pennsylvanians will help restore the trust in government that has been lost during the budget crises. It will also be useful for identifying inefficiencies and checking corruption, to help avoid another financial crisis.

Appendix:

States With Transparency Web Sites

Contract or Detailed Summary Information Available?										
Searchable by Activity?					Past Contracts Available? (Prior to FY09)					
Searchable by Contractor?					Tax Subsidies Included?					
Checkbook-Level Website (lets you see individual government transactions)?					Economic Incentives Included?					
State	Authorizing Law									Web Site Address
Alabama	Y	Y	Y	Y	Y	N	Y	Executive Order signed February 2009; SB204 signed May 2009 codified EO	open.alabama.gov	
Alaska	Y	N	N	N	Y	N	Y	Cooperation of Gov. Sarah Palin and the Department of Administration	fin.admin.state.ak.us/dof/checkbook_online/index.jsp	
Arizona	N*	Y	Y	Y	N*	N	N	Directive of the State Treasurer; new website will go online in January 2011, run by Department of Administration	www.azcheckbook.com; procure.az.gov	
Arkansas	N	N	N	N	N	N	N		No transparency Web site	
California	Y	Y	N	N	Y	N	N	California Executive Order, April 2009	www.reportingtransparency.ca.gov	
Colorado	Y	Y	Y	Y	N	N	Y	Colorado Executive Order April 2, 2009; HB 1288 signed June 2009 codified EO	tops.state.co.us	
Connecticut	N*	Y	Y	N	Y	N	N	HB5163, requiring establishment of a searchable online database for state expenditures, including state contracts and grants, passed on May 3, 2010.	Website is under development.	
Delaware	Y	Y	Y	N	N	N	Y	Created through the cooperation of several agencies per Gov. Markell's instructions; HB 119 signed in August 2009	checkbook.delaware.gov	
Florida	Y	Y	N	Y	Y	N	Y	Chief financial office and Gov. Crist launched website in March 2009; SB 1796 signed in May 2009 codified website	myfloridacfo.com/transparency	
Georgia	Y	Y	Y	N	N	N	N	SB 300, signed May 12, 2008	open.georgia.gov	
Hawaii	Y	Y	Y	Y	Y	N	Y	HB 122, became law without signature May 1, 2007	hawaii.gov/spo2	
Idaho	N	N	N	N	N	N	N		No transparency Web site	
Illinois	Y	Y	Y	N	N	Y	Y	HB 35, signed in August 2009; PA 93-552, signed in August 2003	accountability.illinois.gov; ilcorpacct.com/corpacct/	
Indiana	N*	N*	N*	N*	N*	N	N	State auditor launched Web site in August 2010.	www.in.gov/itp/	
Iowa	N	N	N	N	N	N	N		No transparency Web site	
Kansas	Y	Y	Y	N	Y	N	Y	First authorized by FY 2008 appropriations bill	kansas.gov/kanview	
Kentucky	Y	Y	Y	Y	Y	Y	Y	Executive Order 2008-508, issued June 6, 2008	opendoor.ky.gov	
Louisiana	Y	Y	Y	Y	N	Y	Y	Executive Order No. BJ 2008-2, issued January 15, 2008; SB 37	www.prd.doa.louisiana.gov/laTrac/portal.cfm	
Maine	N	N	N	N	N	N	N		No transparency Web site	
Maryland	Y	Y	N	N	Y	Y	Y	HB 358, signed May 22, 2008	spending.dbm.maryland.gov	
Massachusetts	N*	N	N	N	N	N	N		Note: State recently passed legislation to establish a budget transparency website.	
Michigan	N	N	N	N	N	N	N		No transparency Web site	

* Only active contracts.

* Web site is in development.

Contract or Detailed Summary Information Available?										
Searchable by Activity?				Past Contracts Available? (Prior to FY09)						
Searchable by Contractor?			Tax Subsidies Included?							
Checkbook-Level Website (lets you see individual government transactions)?		Economic Incentives Included?								
State	Authorizing Law								Web Site Address	
Minnesota	Y	Y	Y	N	Y	Y	Y	Y	HB 376, signed May 4, 200	www.mmb.state.mn.us/tap
Mississippi	Y	Y	Y	Y	N	N	N	N	HB 101, signed either April 14, 2008 or in April 2008	merlin.state.ms.us
Missouri	Y	Y	Y	N	Y	Y	Y	Y	Executive Order 07-24, issued July 11, 2007	mapyourtaxes.mo.gov/MAP/portal
Montana	N	N	N	N	N	N	N	N		No transparency Web site
Nebraska	Y	Y	N	N	Y	N	Y	Y	Directive of the State Treasurer; SB 18 signed in May 2009	nebraskaspending.com
Nevada	Y	Y	Y	Y	Y	N	Y	Y	Executive Order issued March 18, 2008	open.nv.gov
New Hampshire	Y	Y	Y	Y	N	N	N	N	Initiative of Gov. Lynch	http://www.nh.gov/transparency/index.htm
New Jersey	N	Y	Y	N	Y	N	N	N	Created by Governor	www.nj.gov/transparency
New Mexico	Y	Y	Y	N	N	N	N	Y	HB 546, signed April 6, 2009	contracts.gsd.state.nm.us
New York	Y	Y	Y	N	Y	N	Y	Y	Directive of the Attorney General	www.openbooknewyork.com
North Carolina	Y	Y	Y	N	N	N	Y	Y	Executive Order No. 4 issued January 12, 2009	www.ncopenbook.gov
North Dakota	N*	N	N	N	N	N	N	N	HB 1377, later amended into SB 2018, signed into law May 2009	To be operational June 30, 2011
Ohio	Y	Y	Y	Y	Y	Y	Y	Y	HB 420, signed in December 2008.	transparency.ohio.gov
Oklahoma	Y	Y	N	N	N	Y	Y	Y	SB 1, signed June 5, 2007	www.ok.gov/okaa
Oregon	Y	N	N	N	Y	Y	Y	Y	HB 2500, pending Governor's signature	www.oregon.gov/transparency
Pennsylvania	Y	Y	Y	Y	Y	N	Y	Y	Act 3 of 2008, signed February 14, 2008	contracts.patreasury.org/search.aspx
Rhode Island	Y	Y	Y	N	Y	N	Y	Y	Administrative Order, February 2009	ri.gov/opengovernment
South Carolina	Y	Y	N	N	Y	N	N	N	Executive Order 2007-14, issued August 30, 2007	www.cg.sc.gov/agencytransparency
South Dakota	Y	Y	N	Y	N	N	Y	Y	Created by the Office of Finance and Management per Gov. Round's instructions	open.sd.gov
Tennessee	Y	N	N	N	Y	N	Y	Y	Created by the Department of Finance, per Gov. Bredesen's instructions	tn.gov/opengov
Texas	Y	Y	Y	N	Y	N	Y	Y	HB 3430, signed June 15, 2007	texastransparency.org/index.php
Utah	Y	Y	Y	Y	N	N	Y	Y	SB 38, signed March 14, 2008	utah.gov/transparency
Vermont	N	N	N	N	N	N	N	N		No transparency Web site
Virginia	Y	Y	Y	N	Y	N	Y	Y	SB 936, signed March 30, 2009	datapoint.apa.virginia.gov
Washington	N	N	Y	Y	Y	N	N	N	SB 6818, signed March 1, 2008 or April 2008	fiscal.wa.gov
West Virginia	N	N	N	N	N	N	N	N		No transparency Web site
Wisconsin	N	Y	Y	N	N	N	Y	Y	Wisconsin Act 410, signed 2005; Wisconsin Act 125, signed March, 2008	http://ethics.state.wi.us/contractsunshine/contractsunshineindex.html; http://www.commerce.state.wi.us/BD/BD-Act125.html
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