



Following the Money 2017: Special Districts

Governing in the Shadows

Rating the Online Financial Transparency
of Special District Governments

ConnPIRG
Education Fund

FRONTIER GROUP

Following the Money 2017: Special Districts

Governing in the Shadows

Rating the Online Financial Transparency
of Special District Governments

Michelle Surka, U.S. PIRG Education Fund

Rachel Cross, Frontier Group

April 2017

Acknowledgments

The authors thank the special district officials who responded to our survey questions and/or evaluation of their district's online financial transparency. ConnPIRG Education Fund thanks Benjamin Davis of In the Public Interest for his review of drafts of this document, as well as his insights and suggestions. Thanks also to Tony Dutzik and Gideon Weissman of Frontier Group for editorial support.

The authors bear responsibility for any factual errors. The recommendations are those of ConnPIRG Education Fund. The views expressed in this report are those of the authors and do not necessarily reflect the views of our funders or those who provided review.

© 2017 ConnPIRG Education Fund. Some Rights Reserved. This work is licensed under a Creative Commons Attribution 4.0 License. To view the terms of this license, visit www.creativecommons.org/licenses/by/4.0.

With public debate around important issues often dominated by special interests pursuing their own narrow agendas, ConnPIRG Education Fund offers an independent voice that works on behalf of the public interest. ConnPIRG Education Fund, a 501(c)(3) organization, works to protect consumers and promote good government. We investigate problems, craft solutions, educate the public, and offer meaningful opportunities for civic participation. For more information, please visit our website at www.connpirgedfund.org.

Frontier Group provides information and ideas to help citizens build a cleaner, healthier, fairer and more democratic America. Our experts and writers deliver timely research and analysis that is accessible to the public, applying insights gleaned from a variety of disciplines to arrive at new ideas for solving pressing problems. For more information about Frontier Group, please visit www.frontiergroup.org.

Layout: Alec Meltzer, meltzerdesign.net

Cover photo: Negative Space, CC0

Table of Contents

Executive Summary	1
Introduction	5
Special Districts: What They Are and Why They Matter	6
The Uses and Challenges of Special Districts and the Need for Financial Transparency	8
Financial Transparency Empowers Citizens	11
Financial Transparency Information Gives Users Detailed Information on District Expenditures	11
Making the Grade: Scoring Special Districts' Online Financial Transparency	15
Choosing the Districts	15
Grading the Districts	16
The Leading Districts	16
The Lagging Districts	18
The Failing Districts	19
Many Roads to Special District Financial Transparency	21
State and Local Government Efforts to Improve Special District Transparency	21
Efforts by Other National Organizations	22
Moving Forward: Improving Online Financial Transparency	25
Recommendations for State and Local Governments	25
Recommendations for Special Districts	26
Appendix A: Methodology	28
Appendix B: Transparency Scorecard	36
Appendix C: List of Questions Posed to Special District Officials	44
Notes	45

Executive Summary

Citizens' ability to understand how their tax dollars are spent is fundamental to democracy. Budget and spending transparency holds government officials accountable for making smart decisions, checks corruption, and provides citizens an opportunity to affect how government dollars are spent.

"Special districts" are a type of government agency that exist outside of traditional forms of general purpose local or state governments, and serve key governmental functions such as public transit or housing. However, special districts are poorly understood by the public and often do business without adhering to modern standards of government budget or spending transparency. The lack of transparency and accountability of many special districts has caused concern among some state agencies and government watchdogs, as it can contribute to an atmosphere conducive to lowered efficiency and potential misconduct.

A review of 79 special districts' online financial transparency shows that while a few districts are meeting the goals of "Transparency 2.0" – a standard of comprehensive, one-stop, one-click budget accountability and accessibility – the vast majority do little to inform citizens about how they spend money. To empower and engage the pub-

lic, enable citizen oversight of all branches of government, and improve the efficiency with which they operate, special districts, along with local and state governments, should expand the amount and improve the quality of spending data that are made available to the public online.

Special districts are a significant form of government, and should be held to strong financial transparency standards.

- Nationwide, there are more than 38,000 special districts, many of them charged with fulfilling key governmental functions, that spend more than \$200 billion annually.¹
- The creation of special districts can enable large expenditures to occur mostly or entirely off the budgets of state or local general purpose governments. According to a study by MASSPIRG Education Fund from 2010, revenues from special districts in Massachusetts amounted to at least \$8.76 billion – equal to one third of the state's general budget.²
- Special districts are not held to the same transparency and accountability standards as other types of govern-

ment. A 2012 Kentucky Auditor’s report found that in 2011 only 60 percent of special districts required to submit budgets to the Department for Local Government’s office did so, and many special districts were not even aware of their legal and financial reporting obligations.³

The nation’s most transparent special districts are often those in states that have taken action to require or encourage the posting of financial information online.

- The Texas Comptroller of Public Accounts offers a Transparency Stars program for local governments, including special districts, excelling in financial transparency.⁴ Of the seven leading special districts evaluated in this report, three are from Texas and all three have received at least one Transparency Star from the Comptroller.
- In Illinois, legislation requiring the creation of a transparency portal for the Chicago area’s transportation districts has resulted in an easy-to-use resource for citizens seeking to access financial information.⁵ One district included in the legislation was evaluated in our report, and received a leading score.
- The Kentucky Department for Local Government was established as the central reporting agency for all state special districts in 2013, and publishes a public portal of special district budget and spending information.⁶ The one special district from Kentucky evaluated in this report also received a leading score.

Our snapshot of special district online financial practices shows that many of these governmental bodies are not meeting standards for government transparency.

Table ES-1. Top Seven Special Districts Evaluated in Online Financial Transparency

Special District	State	Grade	Score	2013 Expenditures ⁷
Port of Houston Authority	TX	A	95	\$292,689,000
Chicago Transit Authority	IL	A	94	\$2,713,168,000
Metropolitan Transit Authority of Harris County	TX	A	93	\$1,353,961,000
Louisville-Jefferson County Metropolitan Sewer District	KY	A-	89	\$327,698,000
Utah Transit Authority	UT	A-	86	\$663,220,000
North Texas Tollway Authority	TX	A-	81	\$756,045,000
Tri-County Metropolitan Transportation District of Oregon	OR	B	77	\$988,717,000

In this report, we evaluated the online financial transparency practices of 79 special districts nationwide, chosen to represent a diversity of functions and states. Of those 79 special districts:

- Seven special districts, 9 percent of those evaluated in the report, received leading scores.
- 30 special districts, 38 percent, received lagging scores.
- 42 special districts, 53 percent, received failing scores, having failed to meet basic financial transparency criteria.
- Of the failing districts, 11, or 14 percent of districts evaluated, received a score of zero, having made little to no evident effort to provide online financial transparency information.

Special districts varied greatly in providing financial transparency information online:

- 30 special districts, 38 percent of those evaluated in the report, have posted the most recently approved budget document on their website.
- 24 special districts, or 30 percent, currently publish a comprehensive annual financial report on their website in accordance with the Government Accounting Standards Board's specifications.
- Eight special districts, or 10 percent, publish full annual salary ranges by job title.
- Seven special districts, or 9 percent, provide information on checkbook-level spending, and only two of those district websites allow users to view the information without having to download data.

Table ES-2: Grading Scale

Score	Grade	Rank
90 to 100 points	A	Leading District
80 to 89 points	A-	
70 to 79 points	B	
60 to 69 points	B-	
50 to 59 points	C	Lagging District
40 to 49 points	C-	
30 to 39 points	D	
20 to 29 points	D-	
< 20 points	F	Failing District

There are many opportunities to improve online financial transparency.

- Districts that already provide checkbook spending data still have room to improve.
 - No district in our sample has a thorough “completeness statement” alerting citizens to the specific exclusions from checkbook-level spending information.
 - Only the Chicago Transit Authority, via the Regional Transit Authority's Transparency Portal, hosts checkbook data on a portal with a full search function.
 - Special districts may be able to take advantage of existing local or state transparency portals to expand the amount of information they share with the public. The Utah Transit Authority, for example, provides revenue and itemized expenditure data on the Utah state checkbook website.

- Districts should make available the most recently approved budget document on their website.
 - Publishing detailed categories of revenues and expenditures allows for citizens to easily find how a district is funded, and what the district plans to accomplish in a fiscal year.
 - In addition, publishing past years' budgets allows for comparison in expenditure levels between fiscal years, ultimately giving citizens the ability to identify unusual trends or changes in spending categories.
- Special districts should aspire to provide audited financial statements in accordance with the Government Accounting Standards Board's specifications, even if state or local law does not require them to do so.
- Special districts that have annual financial reports hosted on an external site, such as that of a state auditor's office, should offer direct links to the documents from their own websites.
- In particular, special districts such as hospitals that issue municipal bonds and report financials to the Electronic Municipal Market Access database (EMMA) should offer direct links to documents hosted on the database, if not publish those documents directly on their own organization's website. Housing authorities should publish their annual plans with capital funds information as reported to the U.S. Department of Housing and Urban Development on their agency websites.

Introduction

Citizens' ability to understand how their tax dollars are spent is fundamental to democracy. Budget and spending transparency holds government officials accountable for making smart decisions, checks corruption, and provides citizens an opportunity to affect how government dollars are spent.

Over the past decade, many state and local governments have made great progress in sharing details about government budgets and spending with the public in the place that most people now go for information: the internet. For six years, U.S. PIRG's *Following the Money* series of reports tracked and helped to fuel these improvements in transparency. In 2010, only 32 states provided access to an online checkbook of government expenditures, often with little detail. By 2016, every state was posting such a checkbook, and many states also provided access to information on economic development subsidies as well as a variety of tools to enable the public to access budget and spending information.

But while states have made great advances in online budget transparency, some areas of government remain largely in the dark. "Special districts" – a type of government agency that exist outside of

traditional forms of general purpose local or state government – often operate in the shadows of the political system, poorly understood by the public and often doing business without adhering to modern standards of budget or spending transparency. Special districts, regardless of the sources of their funding, provide important public services. The expenditures incurred in providing those services are generally absent from local or state government budget documents, and most special districts face no requirement that they publish detailed, checkbook-level spending data online.

The lack of understanding of special districts masks their importance. Nationwide, there are more than 38,000 special districts, many of them charged with fulfilling key governmental functions, that spend more than \$200 billion annually – more than the annual state budgets of California, Vermont, Utah and Iowa combined.⁸

Special districts should adhere to the same transparency standards as other forms of government. Improving budget and spending transparency will make special districts – which often exist in the shadows of our democracy – more accountable to governments that created them and the public they serve.

Special Districts: What They Are and Why They Matter

Special districts are agencies that exist outside the normal parameters of local, state or federal “general purpose” governments.

Definitions of “special districts” vary, but most include a few key features:

- Special districts are **government entities** established by a citizen vote or legislation.
- Special districts provide a **specific service** or set of related services for a designated area that would otherwise typically be provided by a government entity.
- Special districts operate with significant **fiscal autonomy**, and have the power to draft their own budgets separate from the state or local government’s budget review process.

This report uses the U.S. Census Bureau’s definition of special districts, which includes:

“All organized local entities (other than counties, municipalities, townships, or school districts) authorized by state law to

provide only one or a limited number of designated functions, and with sufficient administrative and fiscal autonomy to qualify as separate governments; known by a variety of titles, including districts, authorities, boards, and commissions.”⁹

Special districts can include entities such as fire protection districts, hospital districts or housing authorities.¹⁰ Their service areas may stretch across one or more cities, counties or states, and may include unincorporated areas or be limited to a portion of a single jurisdiction.

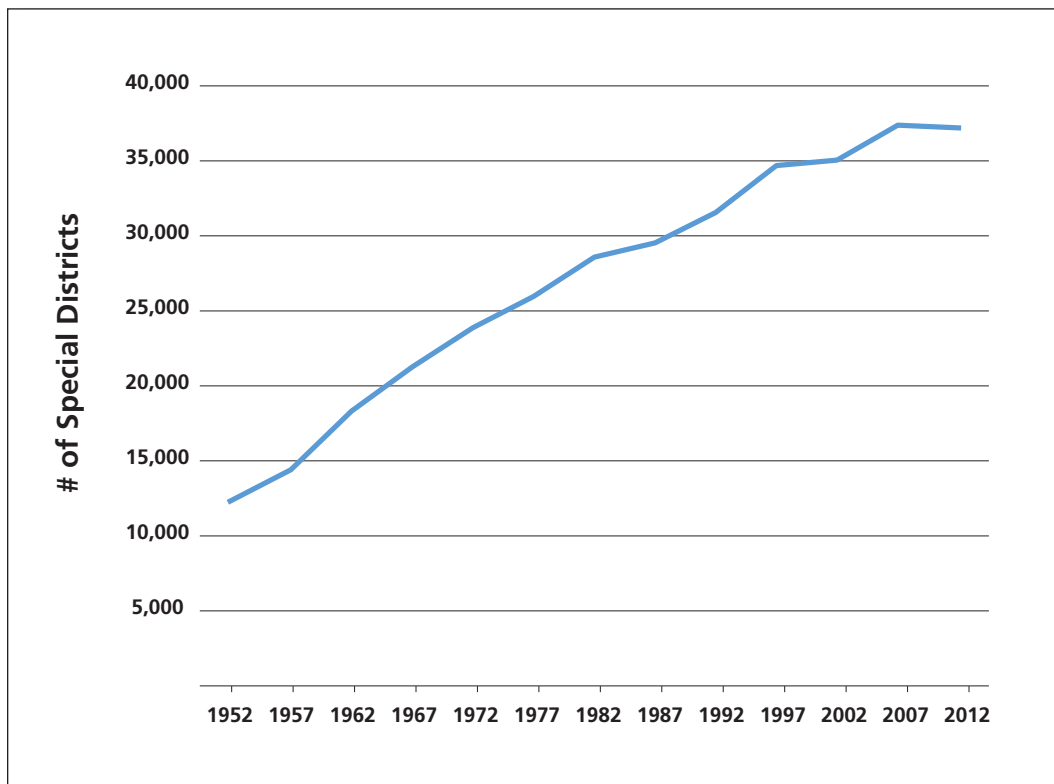
Special districts can receive funding from multiple sources. Some are empowered to levy taxes on residents in their jurisdictions or receive transfers of taxpayer money or other revenue from state or local governments. Other districts raise revenue through service fees or more traditional business profit models.¹¹

As of 2012, there were more than 38,000 special districts in the U.S., making up over 40 percent of all state and local government entities.¹³ The number of special districts in the United States has grown dramatically from 1952 to 2012; while other forms of local government grew at a modest rate of 5 percent, the number of special districts more than tripled.¹⁴

Table 1. Census Special District Function Types Included in Report¹²

Air Transportation (Airports)	Industrial Development	Police Protection
Cemeteries	Irrigation	Public Welfare Institutions
Correctional Institutions	Libraries	Reclamation
Drainage	Local Fire Protection	Regular Highways
Electric Power Utility	Mass Transit System Utility	Sea and Inland Port Facilities
Flood Control	Mortgage Credit	Sewerage
Gas Supply Utility	Other Multi-Function Districts	Soil and Water Conservation
Health	Other Natural Resources	Solid Waste Management
Hospitals	Parking Facilities	Toll Highways
Housing and Community Development	Parks and Recreation	Water Supply Utility

Figure 1. U.S. Special District Growth, 1952-2012¹⁵



The Uses and Challenges of Special Districts and the Need for Financial Transparency

Local or state governments may create special districts for a variety of reasons – some of which serve the public interest, and others of which may not.

Special districts may be formed in order to provide services in areas where incorporation of new general purpose local governments is difficult. This practice emerged in the late 1800s when rural areas dominated much of the American landscape. Many locales established special districts as a way to maintain independence from nearby cities while also providing services to their residents.¹⁶ This practice remains relevant today. One

study from 1997 attributed special district growth to the relative difficulty of creating, expanding or incorporating municipalities under state law; states with stricter laws regarding municipal incorporation had more special districts.¹⁷

A perhaps more significant use of special districts emerged after the financial crisis of the 1870s. Cities left with high levels of debt after extensive borrowing during the preceding economic boom responded by passing limits on public debt to avoid future defaults. These limitations led some to fear that governments would simply raise taxes, causing some groups to successfully lobby for limitations on additional taxation. As a result, local governments were left in a fiscal bind – unable to raise taxes and faced with low debt ceil-



Signage for the Lyons Fire Protection District of Colorado, the Sonoma County Agricultural Preservation and Open Space District of California, and the Massachusetts Port Authority in Boston.

ings. Special districts, which courts ruled were exempt from such fiscal limitations, provided a solution for these governments.¹⁸

The creation of special districts enabled certain expenditures traditionally associated with governmental functions to occur largely or wholly off the state or local government's budget.¹⁹ One 1990 study by an economist at Illinois State University found a significant correlation between local governments with tax limitations and those with a high number of special districts, suggesting their use as a method of circumventing budget and spending restrictions.²⁰ Special district spending can be significant, too; according to a study by MASSPIRG Education Fund from 2010, revenues from special districts in Massachusetts amounted to at least \$8.76 billion – equal to one third of the state's general budget.²¹

A 2000 study found the same to be true of local governments with state restrictions not only on taxation levels and spending, but also on city or county debt limits. Lower debt ceilings tend to be accompanied by more special districts.²² Special district debt, which is also not recorded in a state or local government's budget, can also be significant; in 2002, special districts nationwide had more than \$215 billion in outstanding long-term debt, more than that of either counties and townships nationwide.²³

A related and more recent impetus for the creation of special districts is that many private developers have urged their creation as a way to secure capital for infrastructure projects by issuing tax-exempt bonds. Across the country, developers have initiated the creation of hundreds of special districts to fund infrastructure construction, and nowhere more so than in Texas. In Houston during the 1970s, developers initiated the foundation of more than 400 municipal utility districts,

Table 2. Number of Special Districts in the Ten States with Most Special Districts, 2012²⁶

State	Special Districts
Illinois	3,227
California	2,861
Texas	2,600
Colorado	2,392
Missouri	1,854
Pennsylvania	1,756
Kansas	1,523
Washington	1,285
Nebraska	1,269
New York	1,174

special districts providing water and sewage services.²⁴ Over 130 of these special governments were formed in 1971 alone to serve new or planned residential developments in the area.²⁵

Often, these developer-driven districts twist the democratic process that is supposed to govern the creation of special districts, in which representatives or residents of a given area choose collectively to establish a new special-purpose government. In Texas, while municipal utility districts may be established through legislation, the state Constitution requires a district to gain voter approval before levying taxes or issuing debt.²⁷ In districts used to finance new development, there are no residents, leading developers to, in some cases, house voters in temporary mobile homes on a proposed district's undeveloped plot of land for the sole purpose of approving the creation of a special district. In multiple recorded cases, the voters have had no intention of living in the resulting community.²⁸ For example, in 2016, the Colorado Court of Appeals ruled a private developer's election to approve the issuance of debt and taxation levels for a

new development was fraudulent, in part because the six voters did not intend to purchase one of the resulting condos and pay the associated taxes, while the 130 buyers who did sign contracts purchasing the not-yet-built condos were not alerted to the election's occurrence.²⁹ A new law was passed in Colorado as a result of the case, prohibiting special district elections where an elector's qualifications to vote are questionable.³⁰

Even established special districts may operate with limited accountability because their functions are obscure to the public or because special districts may make public participation difficult. A 2007 study by the Nassau County Executive found that the New York county had a special district election every 10.9 business days, with none falling on major election days.³¹

The potential for special districts to be used to evade normal forms of governance and established fiscal limitations makes transparency and accountability in their spending and operations particularly important.

While some state governments have become increasingly involved in requiring transparency and accountability, many special districts continue to operate without sufficient government oversight. A 2014 Idaho Legislative Office's report found that while the county government

is often specified in legislation as the oversight agency for special districts, many counties "did not have a comprehensive list of districts within their jurisdiction" or otherwise "did not have financial information available."³²

A 2012 Kentucky Auditor's report had similar results. The report found that the statutory requirements to complete and file annual budgets and financial statements were not effectively enforced, and that many special districts were not even aware of their legal and financial reporting obligations. The report found that in 2011 only 60 percent of special districts required to submit budgets did so. Similarly, of the special districts with annual revenues of more than \$750,000 and therefore required to undergo an annual audit, only 55 percent of special districts complied, and there were no consequences for non-reporting districts.³³

Special districts can serve as useful tools for providing crucial public services to citizens and residents. However, the vast majority of special districts are not directly accountable to their local or state government and are exempt from many kinds of public oversight. Because their spending and debt loads are often entirely absent from state and local budgets, special district financial transparency is critical to citizen understanding of government finances.

Financial Transparency Empowers Citizens

Since special district expenditures typically are not subject to the checks and balances of the regular budget process and fall outside of the “official” budgets of general purpose governments, special districts can lack public accountability, making online transparency particularly important. Financial transparency allows citizens, watchdog groups and elected officials alike to monitor the actions of special districts and hold them accountable.

The need for transparency extends even to those special districts that do not receive direct taxpayer funding. All special districts are governmental entities created to fulfill public – not private – functions. Some special districts may operate like businesses, but they are not businesses – their purpose is to provide a service to the public. As with any agency created to serve the public interest, the public has a right and a responsibility to evaluate whether a special district is fulfilling its public service function efficiently and well.

Financial Transparency Information Gives Users Detailed Information on District Expenditures

Current best practices for government spending transparency call for websites that are comprehensive, one-stop and one-click.

Comprehensive

The financial information provided by special districts should answer the following questions: Where does the district raise its revenue? How much does the district spend on particular goods and services? Which firms receive contracts for these goods and services? And what does the public get in return for those specific expenditures? The best special district websites empower citizens to answer these questions.

Moreover, it is best practice for districts to explain the kinds of expenditure in-

formation that are not provided on their website. In some cases, there are legitimate public policy reasons for withholding information. Whatever the reason, the public should be able to know what kinds of information cannot be found on a district's website. Knowledge of what is and is not omitted is a precondition for productive debate over whether omitted types of information should be included.

One-Stop

Leading special districts offer financial documents on a single portal or webpage. With one-stop transparency, residents and public officials can access comprehensive information on direct spending, contracts, and revenue sources from a single starting point.

Experts may already know what they are looking for and may already be familiar with the kinds of expenditures that fall under specific bureaucratic silos. But ordinary citizens are more likely to be imped-

ed by the need to navigate a variety of disparate websites in order to find important information on government spending.

Unlike general purpose governments, for which there is only one logical place to look for financial transparency information – the government's website – there are several places in which special districts might report financial information that are accessible to the public. Some special districts are encouraged or required to report their financial data through the transparency portal of their state or local government, while others provide financial information through a portal such as the Electronic Municipal Market Access (EMMA) system, an online reporting site for municipal securities disclosures overseen by the U.S. Securities and Exchange Commission. The site is capable of hosting other kinds of financial documents, such as comprehensive annual financial reports.³⁴

Ideally, even special districts that report financial information elsewhere should

Figure 2. The Louisville-Jefferson County Metropolitan Sewer District Offers a Transparency Portal Hosting All District Financials in One Place



also make that information available in the most logical location where citizens might seek it out: the special district's own website. At minimum, the district web sites should alert the public to the location where detailed financial transparency information may be found. But the unique and widely varied nature of special districts suggests that the most effective method for disclosing financial information may vary from district to district.

One-Click Searchable and Downloadable

Transparent information is only as useful as it is accessible. Leading special districts offer a range of search and sort functions that allow residents to navigate complex

expenditure data with a single click of the mouse. Districts that follow the best transparency standards allow residents to browse information by recipient or category, and to make directed keyword and field searches.

Residents who want to dig deeper into district spending patterns typically need to download and analyze the data in a spreadsheet or database program. Downloading entire datasets enables citizens to perform a variety of advanced functions – such as aggregating expenditures for a particular company, agency or date – to see trends or understand total spending amounts that might otherwise be lost in a sea of data. Leading districts enable citizens to download the entire checkbook dataset in one file.

Websites Hosting Financial Transparency Information Should Be Comprehensive, One-Stop and One-Click

Transparency Standards

Comprehensive: A user-friendly web portal provides residents the ability to search detailed information about special district revenues and expenditures.

One-Stop: Residents can find information or links to information from a central website.

One-Click Searchable and Downloadable: Residents can search data with a single query or browse common-sense categories. Residents can sort data on district spending by recipient, amount, purpose or keyword. Residents can also download data to conduct offline analyses.

Special District Employee Compensation and Government Transparency

Many state and local governments post the salaries of workers online on their transparency websites or elsewhere. There can be considerable public interest in salary information. In Illinois, for example, the Comptroller's office reports that its government salary database – including details on paid appointments to state boards and commissions – is the most popular one on its website.³⁵ But there is much debate about whether the benefits of this practice outweigh the costs, and whether special districts should adopt the same practices.

On one hand, opening the books on public-sector compensation helps protect against salaries that the public might find unacceptable. Public workers tend to be better compensated, on average, than those in the private sector, but public employees with an advanced degree typically receive lower salaries than comparably educated non-government employees.³⁶

On the other hand, there can be good reasons to limit the scope of personal information in the public domain. People may use the information inappropriately, or it could be abused by marketers or criminals. Moreover, research evidence suggests that posting compensation details can undermine employee morale.³⁷

Some special districts offer examples of how to navigate between these competing imperatives. The Orange County Fire Authority in California publishes salary ranges by job title, while Johnson County Water District 1 in Kansas publishes the salary amount for every new position created in a fiscal year.³⁸ The Hartford County Metropolitan District in Connecticut publishes a bulk salary figure for every department.³⁹ These approaches to compensation information may provide some measure of anonymity while maintaining the ability to identify compensation that might be dramatically out of line with experience, qualifications or public norms.

Another way districts might navigate the issue would be to post only the highest compensated employees – such as board members, those making more than three times the average district employee, or the highest-paid 10 employees and contractors in each department. Ultimately, there is a need for more information about the relative merits of different approaches to transparency in public sector employee compensation. One study examined the effects of a 2010 California mandate requiring cities to publicly post municipal salaries and found that, compared with cities that already posted such information, newly transparent municipalities cut salaries for their highest paid employees and experienced a 75 percent increase in quit rates among those workers.⁴⁰ Further study is necessary to know if these findings are representative of experiences at other public agencies.

Making the Grade: Scoring Special Districts' Online Financial Transparency

A review of a sampling of 79 special districts of various types from across the United States shows that while a small number of special districts meet modern standards of online budget and spending transparency, the vast majority share relatively little data on spending with residents of their areas.

Choosing the Districts

Special districts were selected for inclusion based first on their participation in the Census Bureau's 2012 Census of Governments, which includes 3,394 special districts nationwide. The Census is not a comprehensive collection of special district spending data, as the response rate of special districts to the Census in past years has been as low as 16 percent.⁴¹ The Census does, however, represent the most comprehensive listing of special districts and their spending available.

In order to get a snapshot of special district financial transparency nationwide, we selected districts that met the following criteria:

- Districts that are among the 20 special districts with the highest expenditures reported in the Census data.
- The district with the highest total expenditure amount for each function type not represented among the 20 largest districts. (See Table 1 for list of included function types.)
- The district with the highest total expenditure amount for every U.S. state not already represented in the previous criteria.

The result is a collection of districts that are diverse in their budget size, location and function. It is not intended to be a representative or random sample of special districts nationwide.

Each district's website was evaluated and assigned a grade based on its searchability and the breadth of information provided. (See Appendix B for the complete scorecard, and Appendix A for a full explanation of the methodology, grading criteria, and how the scoring system was applied to each district's website.) An initial inventory of each district's website and a set of questions were first sent to

the administrative offices believed to be responsible for operating each special district's website. (For a list of questions sent to district officials, see Appendix C.) Follow up e-mail and – if necessary – phone calls were used to maximize the number of responses we received. Officials from 23 districts responded with insights and clarification about their websites. In some cases, our research team adjusted scores based on this clarifying feedback.

Some special districts proved difficult to contact, raising an even more basic concern about their level of transparency.⁴²

Previous editions of *Following the Money*, which evaluated state or local transparency websites, reviewed only websites under control of the government being evaluated. For special districts, which may report financial information via state or local transparency websites or through other venues, our research suggested that it is necessary to also evaluate other websites that a citizen might plausibly visit to learn financial information about special districts in their area. As a result, we offered partial credit to special districts reporting spending information via limited other venues. This change to the analysis occurred at the suggestion of several special district representatives, but because it came after the initial data-gathering period had concluded, districts were not given the opportunity to review their compliance with these criteria.

In addition, while special districts of all kinds bear the responsibility for fully, accurately and accessibly communicating their spending practices to the public, some districts face administrative or financial constraints that make it difficult to meet the standards of Transparency 2.0. In some cases, additional funding from the state legislature, changes in administrative practices, or changes to laws and regulations outside the control of special districts may be needed before modern

standards of government transparency can be met.

Based on the grades assigned to each website, districts can be divided into three categories: Leading Districts, Lagging Districts and Failing Districts.

Grading the Districts

Of the 79 special districts included in this report, only seven received leading scores. Our grading criteria, available in Appendix A, evaluated only basic financial transparency functions – not the full achievement of the standards for “Transparency 2.0” described on page 12, which represent the best practice for financial transparency across all levels and types of government. The resulting grades show that districts have either made strong efforts towards online transparency, have made minimal transparency efforts, or have made no apparent effort at all. The following sections summarize common traits shared by the special districts in each of these categories to highlight their strengths and weaknesses.

The Leading Districts

These special districts have created user-friendly websites that provide visitors with accessible information on an array of expenditures. With the exception of the Louisville-Jefferson County Metropolitan Sewer District, every Leading District provides a checkbook where ordinary citizens or watchdog groups alike can download the entire checkbook dataset to find information on specific vendor payments or employee reimbursements.⁴⁴

Leading Districts still have opportunities to improve transparency. For exam-

Table 3. Leading District Scores

Special District	State	Grade	Score	2013 Expenditures ⁴³
Port of Houston Authority	TX	A	95	\$292,689,000
Metropolitan Transit Authority of Harris County	TX	A	93	\$1,353,961,000
Chicago Transit Authority	IL	A	90	\$2,713,168,000
Louisville-Jefferson County Metropolitan Sewer District	KY	A-	89	\$327,698,000
Utah Transit Authority	UT	A-	86	\$663,220,000
North Texas Tollway Authority	TX	A-	81	\$756,045,000
Tri-County Metropolitan Transportation District of Oregon	OR	B	77	\$988,717,000

ple, the Tri-County Metropolitan Transportation District of Oregon provides a downloadable check register, but does not include descriptions of the general expenditure categories, an important feature for tracking government spending. The Utah Transit Authority's checkbook is currently a part of the state checkbook available on Utah's transparency portal; however, the district's website, which hosts other financial information, does not provide a link. Only the Louisville-Jefferson County

Metropolitan Sewer District and the Chicago Transit Authority, via the Regional Transit District's Transparency Portal, offer a checkbook on their own websites that does not require downloading data to view. Those districts are also the only agencies among Leading Districts to provide salary information by job title, while no top-scoring district includes completeness statements to alert citizens about information that is excluded from their check registers.

Figure 3. The Regional Transportation Authority's Portal Hosts the Chicago Transit Authority's Financials, Including a Record of Checkbook-Level Spending with Vendor's Names and Expense Categories

The screenshot displays the 'CTA Expenditures 2017 YTD' portal. It features a search bar at the top right and a sidebar on the left with navigation icons. The main content area shows a table with the following columns: VENDOR NAME, EXPENSE CATEGORY, PAYMENT AMOUNT, and PAYMENT DATE. The table lists various vendors and their corresponding payments, such as 'ALLPOINTS SECURITY AND DETECTIVE, INC.' for Administrative Support and 'HIGWAY SAFETY CORPORATION' for Maintenance of Buildings. The bottom of the screen shows pagination information: 'Page 1 of 15' and 'Displaying 1 to 50 of 727 rows'.

VENDOR NAME	EXPENSE CATEGORY	PAYMENT AMOUNT	PAYMENT DATE
*ALLPOINTS SECURITY AND DETECTIVE, INC.	Administrative Support	\$ 19,990.07	1/18/17
*ALLPOINTS SECURITY AND DETECTIVE, INC.	Administrative Support	\$ 20,120.21	1/23/17
*ANDERSON & SHAW ROOFING, INC.	Maintenance of Buildings	\$ 12,032.92	1/17/17
*B & L DISTRIBUTORS, INC.	Facilities Cleaning	\$ 10,990	1/20/17
*DIBBY'S DETECTIVE & SECURITY AGENCY, INC.	Security Rail	\$ 46,187	1/18/17
*FII & ASSOCIATES, INC.	Maintenance of Buildings	\$ 18,986	1/9/17
*GREAT LAKES METALS CORPORATION	Equipment Purchases	\$ 831.7	1/11/17
*HIGWAY SAFETY CORPORATION	Maintenance of Structures	\$ 16,102.29	1/3/17
*HIGWAY SAFETY CORPORATION	Maintenance of Track & Roadway-Electrical	\$ 7,395.5	1/3/17
*HIGWAY SAFETY CORPORATION	Maintenance of Buildings	\$ 2,738	1/9/17
*HIGWAY SAFETY CORPORATION	Maintenance of Track & Roadway-Electrical	\$ 4,995.5	1/9/17
*INFORMITY NETWORK, LTD.	Maintain/Repair Communications Equip	\$ 200,000	1/31/17
*J-TEC METAL PRODUCTS, INC.	Vehicle Rehab	\$ 3,174.4	1/13/17
*J.P. SIMONS & COMPANY	Maintenance of Buildings	\$ 4,983.9	1/3/17
*J.P. SIMONS & COMPANY	Maintenance of Equipment	\$ 149,197.33	1/3/17
*J.P. SIMONS & COMPANY	Maintenance of Buildings	\$ 496.36	1/5/17

The Lagging Districts

All of the Lagging Districts provide basic financial transparency information, such as a current budget document and some variation of an annual financial report detailing at the very least net expenditures and revenues for the year. The three dis-

tricts receiving the highest scores among the Lagging Districts additionally provided individual salary information as well as detailed information about district procurements. None of the 30 Lagging Districts provides a full register of check-book-level spending online.

Table 4. Lagging District Scores

Special District	State	Grade	Score	2013 Expenditures ⁴⁵
New York and New Jersey Port Authority	NY	C	54	\$7,273,199,000
Metropolitan Water District of Southern California	CA	C	50	\$1,306,675,000
Orange County Fire Authority	CA	C	50	\$479,068,000
Hartford County Metropolitan District	CT	C-	47	\$346,966,000
Los Angeles County Metropolitan Transportation Authority	CA	C-	47	\$43,968,663,000
Chicago Park District	IL	D	35	\$632,900
Children's Services Council of Palm Beach County	FL	D	35	\$106,383,000
Metropolitan St. Louis Sewer District	MO	D	35	\$486,703,000
Metropolitan Washington Airports Authority	VA	D	35	\$1,611,201,000
Minneapolis-St. Paul Metropolitan Airports Commission	MN	D	35	\$395,119,000
San Diego County Regional Airport Authority	CA	D	35	\$537,154,000
Southwest Florida Water Management District	FL	D	35	\$241,141,000
Washington Metropolitan Area Transit Authority	DC	D	35	\$3,793,281,000
Wayne County Airport Authority	MI	D	35	\$442,091,000
Sacramento Municipal Utility District	CA	D	34	\$1,774,604,000
Lee Memorial Health System	FL	D	33	\$1,764,860,000
Lower Colorado River Authority	TX	D	33	\$1,492,100,000
South Broward Hospital District	FL	D	33	\$2,084,189,000
Southeastern Pennsylvania Transportation Authority	PA	D	33	\$2,555,478,000
Boston Housing Authority	MA	D	32	\$435,571,000
Denver Regional Transportation District	CO	D	31	\$1,338,721,000
Bay Area Rapid Transit	CA	D-	29	\$12,014,000
Fargo Park District	ND	D-	29	\$29,835,000
Southern Nevada Water Authority	NV	D-	27	\$341,294,000
Central Arkansas Water	AR	D-	26	\$79,588,000
Omaha Public Power District	NE	D-	26	\$1,349,803,000
Des Moines Metropolitan Transit Authority	IA	D-	25	\$49,871,000
Johnson County Water District 1	KS	D-	25	\$88,865,000
Delaware River Port Authority	NJ	D-	23	\$417,643,000
Delaware River and Bay Authority	DE	D-	23	\$167,939,000

The Failing Districts

Of the 79 special districts evaluated for this report, 42 received failing grades for their online financial transparency. Eleven districts received zero points. No Failing District provides a register of online check-book-level spending, and only a hand-

ful provide both a budget document and a comprehensive annual financial report. The majority of Failing Districts only provide one kind of financial document, and of those providing an annual report, many only provide financial highlights as opposed to an audited annual financial report.

Table 5. Failing District Scores

Special District	State	Grade	Score	2013 Expenditures ⁴⁶
Metropolitan Transportation Commission	CA	F	19	\$1,815,095,000
Sacramento Area Flood Control Agency	CA	F	18	\$74,114,000
Heartland Consumers Power District	SD	F	17	\$74,304,000
King County Rural Library District	WA	F	17	\$181,604,000
Los Angeles City Housing Authority	CA	F	17	\$1,133,806,000
Orange County Housing Finance Authority	FL	F	15	\$29,196,000
Philadelphia Parking Authority	PA	F	15	\$261,863,000
Indiana Municipal Power Agency	IN	F	14	\$447,115,000
Nebraska Public Power District	NE	F	14	\$1,424,000,000
Office of Hawaiian Affairs	HI	F	14	\$55,446,000
Salt River Project Agricultural Improvement & Power District	AZ	F	14	\$3,706,940,000
Charlotte Mecklenburg Hospital Authority	NC	F	13	\$7,221,090,000
Kootenai Hospital District	ID	F	13	\$334,638,000
Jefferson County Drainage District 6	TX	F	12	\$31,688,000
Bloomington-Normal Water Reclamation District	IL	F	11	\$12,502,000
Waterfront Commission of New York Harbor	NY	F	11	\$19,442,000
Columbus Metropolitan Housing Authority	OH	F	10	\$710,878,000
Greenville Health System	SC	F	10	\$2,323,344,000
Monongalia County Urban Mass Transit Authority	WV	F	10	\$22,785,000
Municipal Gas Authority of Georgia	GA	F	10	\$412,392,000
Nor-Lea Hospital District	NM	F	10	\$68,093,000
North Broward Hospital District	FL	F	10	\$1,592,992,000
North Platte Natural Resources District	NE	F	10	\$4,281,000
St. Tammany Hospital District 1	LA	F	10	\$298,971,000
WPPI Energy	WI	F	10	\$477,367,000
Providence Housing Authority	RI	F	9	\$65,435,000
Beaver County Industrial Development Authority	PA	F	8	\$38,076,000

Table 5 (cont'd). Failing District Scores

Special District	State	Grade	Score	2013 Expenditures ⁴⁶
Jackson Energy Authority	TN	F	6	\$261,333,000
Westlands Water District	CA	F	6	\$120,357,000
Oklahoma City Housing Authority	OK	F	2	\$63,374,000
Southwest Virginia Regional Jail Authority	VA	F	2	\$52,771,000
AVCP Regional Housing Authority	AK	F	0	\$75,252,000
Campbell County Hospital District	WY	F	0	\$186,102,000
Forestvale Cemetery District	MT	F	0	\$407,000
Hospital Administration District 4	ME	F	0	\$68,273,000
Huntsville Health Care Authority	AL	F	0	\$1,133,525,000
Inland Empire Health Plan	CA	F	0	\$1,306,498,000
Manchester Housing and Redevelopment Authority	NH	F	0	\$31,788,000
Municipal Gas Authority of Mississippi	MS	F	0	\$64,113,000
Northeast Maryland Waste Disposal Authority	MD	F	0	\$74,272,000
Self-Insured Schools of California Health & Welfare Benefits Program	CA	F	0	\$1,268,482,000
Vermont Public Power Supply Authority	VT	F	0	\$40,377,000

Few Differences in Government Transparency Between Red and Blue States

The political leaning of a state provides little indication of the level of transparency of its special districts. Neither special districts in Republican-leaning states nor Democratic-leaning states tend to be significantly more transparent than the other.

Special districts in states with a Republican governor averaged a transparency score of 26.1 in our study – just above the average score of special districts in states with Democratic governors (24.3).⁴⁷ The average transparency score of states with single-party, Democratic legislatures (26.7) was higher than those with single-party, Republican legislatures (24.8), but of the five states with leading special districts, three had a Republican legislature and four a Republican governor.⁴⁸

Many Roads to Special District Financial Transparency

Many special districts fail to provide access to essential financial information via the internet. But, as shown above, several special districts have achieved leadership in financial transparency – in many cases, due to incentives provided or requirements imposed at the state level. Special districts themselves, local and state governments, organizations of citizens and public officials can all play a role in increasing the level of online financial transparency by special districts.

State and Local Government Efforts to Improve Special District Transparency

Some state governments incorporate quasi-public agencies, many of which also fit the description of special districts, within their financial transparency portals. As highlighted in our 2016 *Following the Money* report, states such as Massachusetts and Louisiana feature a selection of their most prominent quasi-public entities on a dedicated page of their online transparency portals.⁴⁹

Other state and local governments have

endeavored to improve special district transparency through other means, such as legislation or incentive programs.

In 2015, Illinois, which has the most special districts of any U.S. state, passed a law that required the creation of the Greater Chicago Mass Transit Transparency and Accountability Portal.⁵⁰ Though the legislation was limited only to the Chicago metro area's four transit districts, the resulting transparency portal publishes financial information, including contracts and employee salaries, and is updated on a monthly basis.⁵¹

In 2013, Kentucky passed a bill targeting special district transparency. The Department for Local Government was established as the central reporting agency for all special districts in the state, and created an online portal of district budget documents and audited financial statements.⁵² Citizens can search the portal by special district name, county served, taxing or non-taxing status, and function type to access spending information for years in which a district was required to report the information.⁵³

In Texas, which has the third-most special districts of any U.S. state, the Comptroller of Public Accounts has taken the in-

Figure 4. Kentucky's Department for Local Government Offers a Public Special District Spending Portal

centive approach. The Comptroller offers the Transparency Stars program for local government entities. Stars are available in five financial transparency areas, including Contracts and Procurement, and Debt Obligations. The program also requires governments to have a dedicated section of their website for financial information, and to have at least two downloadable datasets.⁵⁴ So far, four special districts in the state of Texas have received at least one Transparency Star.⁵⁵

Efforts by Other National Organizations

In some cases, non-governmental organizations and special district coalitions have joined efforts to improve transparency.

The Government Finance Officers Association (GFOA), an association of public finance officials in the U.S. and Canada, established the Certificate of Achievement for Excellence in Financial Reporting Program in 1945 to encour-

age state and local governments to exceed minimum transparency standards and provide comprehensive annual financial reports.⁵⁶ In 2015, 263 special districts received the Certificate of Achievement, including five special districts included in this report.⁵⁷ (Not all five of these districts received leading scores in our evaluation, as the certificate only requires a comprehensive annual financial report, not the full achievement of standards for financial

transparency.) In 1991, the GFOA also established the Popular Annual Financial Reporting Award Program to encourage the publication of condensed financial documents easily understood by citizens without a background in government finance.⁵⁸ Both the Chicago Park District and the Metropolitan St. Louis Sewer District publish these accessible annual financial reports alongside their comprehensive financial statements.

State and Local Governments Should Encourage Special District Transparency

Special districts are often created by either individual state or local governments or, in the case of regional entities, several local or state governments working together. The governing bodies of special districts bear primary responsibility for providing the public with access to information on how they spend their money, but the general purpose governments that create special districts also bear some responsibility – and often have the resources to make it easier for special districts to share this information with the public.

The cost of building and maintaining an online checkbook can be significant, especially for smaller special districts that may operate on a shoestring budget. The Metropolitan St. Louis Sewer District, for example, has a preliminary estimate of \$20,000 to incorporate such a feature on their website, excluding labor costs to compile the information.⁶⁰ One district official with Central Arkansas Water expressed similar concerns that developing the expertise it would take to create and maintain such a tool would far exceed the district's capacity.

Several states have taken leadership by expanding their transparency portals to include information from special districts and by creating search features that allow citizens to view special district spending separately from the state's expenditures. The Utah state transparency site, for example, allows users to sort for local and special purpose districts and view independent checkbook data by agency distinct from the state's checkbook spending. The Ohio state checkbook includes special district spending data on an opt-in basis and currently includes spending data from 67 special districts.⁶¹

Other states, such as Florida, have taken more limited approaches. For example, on Florida's state transparency website, quasi-public agencies have their own transparency portal, including what the state claims is a comprehensive list of all entities. All five Florida special districts included in this report provide some financial data on the portal, though not on in a checkbook spending level of detail.⁶²

Figure 5. Florida's State Transparency Portal Includes a Dedicated Portal for Special District Financials

Quasi Government Spending

[Download Quasi Government Revenue and Expenditure Data by Year](#)
[Comprehensive List of Quasi-Public Agencies](#)

Step 1:
Select the Year(s) you would like to search on.

<input type="checkbox"/> 1993	<input type="checkbox"/> 1994	<input type="checkbox"/> 1995	<input type="checkbox"/> 1996	<input type="checkbox"/> 1997	<input type="checkbox"/> 1998	<input type="checkbox"/> 1999	<input type="checkbox"/> 2000
<input type="checkbox"/> 2001	<input type="checkbox"/> 2002	<input type="checkbox"/> 2003	<input type="checkbox"/> 2004	<input type="checkbox"/> 2005	<input type="checkbox"/> 2006	<input type="checkbox"/> 2007	<input type="checkbox"/> 2008
<input type="checkbox"/> 2009	<input type="checkbox"/> 2010	<input type="checkbox"/> 2011	<input type="checkbox"/> 2012	<input type="checkbox"/> 2013	<input type="checkbox"/> 2014	<input type="checkbox"/> 2015	<input type="checkbox"/> 2016

Step 2:
Select up to five units.

Special Districts

Other Entities:

Selected Entities
No Entities Selected.

Step 3:
Select the account categories or use the advanced search to find specific account codes

Revenue Categories

☐ Ad Valorem Taxes
☐ Contributions and Donations
☐ Court-Related Revenues

Expenditure Categories

☐ Circuit Court-Civil
☐ Circuit Court-Criminal

The Special District Leadership Foundation, a California non-profit created to help encourage best practices among the state's special districts, offers a District Transparency Certificate of Excellence. The program requires special district offi-

cials to learn California's laws surrounding special district governance practices, maintain their websites with most recent budget and audit documents, and complete at least two outreach activities, such as holding a community transparency review.⁵⁹

Moving Forward: Improving Online Financial Transparency

Recommendations for State and Local Governments

Special districts are government entities and should adhere to transparency standards expected of governments, including at a minimum posting budget and spending information online. To improve transparency of a locality's special districts, public officials should help the public identify special districts, develop clear requirements for financial practices, and establish tools to improve accountability for districts' spending and financial transparency. Specifically, state and local governments should:

- **Create a central registry of special districts:** Many government officials who evaluate special district performance and transparency have struggled to find out how many special districts exist within their state. A central registry would help keep track of the number of districts and serve as a record of current contact information for district officials.
- **Establish uniform reporting and transparency requirements:** Many local and state governments that do have laws regarding special district financial reporting include audit exemptions based on annual revenue amounts. In 2012, the Kentucky Auditor of Public Accounts recommended lowering the annual revenue threshold for mandatory audits of special districts while also establishing mandatory, inter-year audits for smaller districts.⁶³
- **Identify a government agency to track district financial reporting:** Establishing one entity in charge of collecting and maintaining special district financial documents would make the information more accessible and more easily tracked. A 2014 review of special districts in Idaho suggested that every special district, regardless of revenue sources or expenditure amounts, be required to submit an approved budget to the state Legislative Services Office.⁶⁴ In addition, establishing penalties for non-compliant districts would create more accountability for special district reporting requirements.

Recommendations for Special Districts

Special districts have a responsibility to provide the public with access to information – including detailed, checkbook-level spending data – that enables the public to ensure that the districts are fulfilling the public interest purposes for which they were created in the most effective manner possible. In order to become more transparent, special districts should work to reach the level of online financial reporting the public now expects of government entities.

Checkbook-Level Spending

- Hosting an online transparency portal – as do all state governments and many local governments – provides financial information to citizens in a format that is intuitive, flexible and accessible. Evidence from state governments suggests that these portals can yield benefits in reduced procurement costs and other efficiencies.⁶⁵ However, the cost of these tools can be significant. For smaller special districts that may not be able to afford to provide a transparency portal, publishing a PDF or XLS file of annual payments made to contractors, employee reimbursements and other district purchases can improve financial transparency, as could partnering with the state or county government to incorporate special district checkbook spending into the larger government's checkbook.
- For special districts that publish a checkbook, improvements can still be made. No district evaluated for this report presently includes a thorough completeness statement for its checkbook spending and some districts do not provide information on the cat-

egories of spending into which specific expenditures fall. Districts that host a checkbook tool on their website, such as the Louisville-Jefferson County Metropolitan Sewer District, should look to incorporate an effective search feature that allows citizens to look for specific information in the entire database without having to download data.

Budget

- Districts should make available the most recently approved budget documents on their websites. Publishing itemized revenues and expenditures allows citizens to easily find how a district is funded, and providing information on both operating and capital expenditures helps to elucidate what the district plans to accomplish in a fiscal year. These documents should be made searchable for quick analysis, and downloadable as spreadsheet files for offline analysis.
- Publishing past years' budgets allows for comparison of expenditure levels between fiscal years, ultimately giving citizens the ability to find unusual changes in spending categories. Agencies such as the Des Moines Metropolitan Transit Authority and the Bay Area Regional Transit District, both of which publish the current year's budget, could increase transparency by publishing historical budgets as well.
- Providing a salary schedule on the financial page of a district's website allows citizens and watchdog groups to identify inappropriate salary ranges, and help ensure that, as with all government bodies, special district salaries are aligned with generally accepted norms. This information could

take the form of salary ranges by job title, but should otherwise be complete. The Sacramento Area Flood Control Agency, for example, currently excludes “any increases in the Board-approved salary ranges for each position” from its budget, allowing for too much doubt about the integrity of the data provided.⁶⁶

Financial Reporting

- Special districts should aspire to provide audited financial statements in accordance with the Government Accounting Standards Board’s specifications, even if state or local law does not require them to do so. This would help minimize the chance for financial misreporting and raise accountability, helping prevent cases like California’s Westlands Water District, which in 2016 was charged by the Securities and Exchange Commission for misrepresenting the district’s “true financial condition” to investors.⁶⁷
- Special districts that have annual financial reports hosted on an external site, such as a State Auditor’s office, should offer direct links to the documents. Districts such as Washington state’s King County Rural Library District or West Virginia’s Monongalia County Transit Authority could improve transparency with this simple measure.
- In particular, special districts such as hospitals that sell municipal bonds and report financials to the Electronic Municipal Market Access database (EMMA) should offer direct links to documents hosted on the database, if not publish those documents directly on their own organization’s websites. While North Carolina’s Charlotte Mecklenburg Hospital Authority discloses that district financials are available on EMMA, direct links would improve citizen access.
- Smaller special districts that do not have websites, such as Montana’s Forestvale Cemetery District, should make efforts to partner with state and county officials to publish financial audits on government transparency portals in order to ensure citizen access to financial information.

Appendix A: Methodology

To select special districts for inclusion in this report, we used the 2013 Census of Governments database, the most recent census of government spending available. We filtered for government entities that had an associated special district function code, and then aggregated a total annual expenditure for every special district using the Census' record of expenditure codes.

In order to get a snapshot of special district financial transparency both nationwide and among the most commonly occurring function types, we selected districts by the following criteria:

- Districts that are among the 20 special districts with the highest expenditures reported in the Census data.
- The district with the highest total expenditure amount for each function type not represented among the 20 largest districts. (See Table 1 for list of included function types.)
- The district with the highest total expenditure amount for every U.S. state not already represented in the previous criteria.

We pursued this approach as opposed to a randomized selection in order to both focus on districts with significant expenditures and to ensure all states and function types were represented in the report.

Grades for the scorecard were determined by assigning points for information included on (or in some cases, linked to) a special district's transparency website or another government website that provided information on district spending. (See the "Criteria Descriptions and Point Allocation for the Scorecard" table on page 29 for a detailed description of the grading system.)

What We Graded

We graded one website for each special district. The grades in this report reflect the status of the special district websites as of January 2017, with the exception of cases in which district officials alerted us to oversights in our evaluation or informed us of changes that had been made to the websites prior to the end of February 2017. In these cases, we confirmed the presence of the information pointed out by the district officials and gave appropriate credit for that information on our scorecard.

How We Inventoried and Assessed Websites

The researchers reviewed websites and corresponded with special district officials as follows:

- During early January 2017, our researchers evaluated every accessible district website based on the criteria laid forth in the “Criteria Descriptions and Point Allocation for the Scorecard” table of the methodology.
- In late January, district officials received our evaluation via email and were asked to review it for accuracy by February 9, 2017. That deadline was extended for a few special districts that requested additional time.
- In February 2017, and in some select cases in March 2017, our researchers reviewed the district officials’ comments, followed up on potential discrepancies, and made adjustments to the scorecard as warranted. As necessary, our researchers continued to correspond with district officials clarifying the criteria and discussing websites’ features.

Our interactions with the special districts indicated that several districts report detailed financial data through platforms operated by state or local governments or other entities. Subsequently, the evaluation criteria were altered to allow for partial credit for some financial reporting that occurs in this manner. Individual special districts were not given the opportunity to review our evaluation of their performance on these criteria.

Calculating the Grades

Special districts could receive a total of 100 points based on our scoring rubric. Based on the points each district received, grades were assigned as listed in Table 6.

Table 6: Grading Scale

Score	Grade	Rank
90 to 100 points	A	Leading District
80 to 89 points	A-	
70 to 79 points	B	
60 to 69 points	B-	
50 to 59 points	C	Lagging District
40 to 49 points	C-	
30 to 39 points	D	
20 to 29 points	D-	
< 20 points	F	Failing District

Districts were given full credit for making particular categories of information available on their websites, regardless of whether we could ascertain if the data evaluated were complete. For example, if a district’s checkbook contains only a portion of the payments made to vendors through contracts, full credit was awarded.

Glossary

Two categories within the grading criteria require definitions.

Budget: a record of a special district’s projected revenues and expenditures for a given fiscal year. To receive full points for

having a budget, the district's budget document must include at least two itemized revenue sources and at least three itemized expenditure categories, with both operating and capital expenses represented.

Comprehensive annual financial report (CAFR): an audited record of a government entity's past fiscal year's expenditures and revenues. The standards laid out by the Governmental Accounting Standards Board require that a CAFR

have three sections: an Introduction containing an "analytical overview of the government's financial activities," called the Management's Discussion and Analysis; a Financial section containing a Statement of Net Assets and Statement of Activities with itemized expenditure and revenue information; and a Statistical section containing supplementary information to the Financial section, including debt and long-term liabilities.⁶⁸

Criteria Descriptions and Point Allocation for the Scorecard

Checkbook

Criteria	Description	Partial Credit	Points
Checkbook	A list or description of individual expenditures made to individual recipients, hosted on a special district's website, or included in a state checkbook.	12 points are awarded for spending information that meets the checkbook criteria, but is provided through procurement portals or external websites, provided that the data specify the contractor receiving the bid, the amount paid and the type of service provided. Records must go back at least a year, and information must be accessible to the public without creation of an account.	28
Searchable by recipient	Ability to search checkbook-level expenditures by recipient (e.g., contractor or vendor name), either on a district's website, or the state checkbook if district expenditures hosted there.	No partial credit.	10
Searchable by keyword	Ability to search checkbook-level expenditures by type of service or item purchased, either on a district's website, or state checkbook if district expenditures hosted there.	No partial credit.	10
Excluded information	Statement about the specific types of transactions excluded from the checkbook. (Since disclosing all financial transactions is often not appropriate or lawful, users should be able to know which expenditures are missing from the data.)	2 points are awarded for a statement about more general types of transactions excluded from the checkbook (e.g. "confidential data" or "salaries").	4
Bulk downloadable	The complete dataset – by year, quarter, or month – can be downloaded for data analysis (via xlsx, csv, xml, etc.).	3 points are awarded if a portion of the dataset is downloadable.	6

Budget

Criteria	Description	Partial Credit	Points
FY 2017 Budget	File document (e.g., PDF) of the district's approved FY17's budget. Document must be provided on district's website.	No partial credit.	12
Historical budgets	File documents (e.g., PDF) of the district's approved budgets from two previous years, excluding most recent year. Document must be provided on district's website.	2 points (up to 4) for every budget file document available for previous years.	4
Salary information	Salary information is provided for each job title within the agency. Information may be on district website, or linked to on external state government page.	3 points are awarded if salary information is provided as a bulk figure for either the entire district or bulk figures by department.	6
Bulk downloadable	FY17's budget information can be downloaded for data analysis (e.g., xlsx, csv, xml etc.).	No partial credit.	4

Financial Reporting

Criteria	Description	Partial Credit	Points
Comprehensive annual financial report	A comprehensive annual financial report or similar financial summary file document (e.g., PDF) for FY 15 or, if available at the time of the survey, FY16, is provided on the district's website.	<p>10 points if the financial statement is appropriately thorough but does not meet the Government Accounting Standard Board's specifications for a CAFR.</p> <p>6 points if a condensed financial report for FY 15 is provided, such as financial highlights, condensed financials, or unaudited financial statements.</p> <p>6 points if a financial report is published on an external website (EMMA, County Auditor's office, etc.) that would be a plausible location for the public to search for such information.</p>	12
Historical financial reports	File document (e.g. PDF) of district's annual financial reports from previous years.	2 points (up to 4) for every financial report file document available for previous years.	4

District-by-District Scoring Explanations

Below is a district-by-district list of explanations for point allocations beyond the information provided in the expanded scorecard in Appendix B.

- **Bay Area Rapid Transit:** While the agency does not provide a register of checkbook-level spending, it does provide a downloadable spreadsheet of annual employee reimbursements over \$100. The district also provides a procurement portal, but users must register to view the information and records only go back four months, making it ineligible to receive any points for checkbook-level spending information.
- **Bloomington-Normal Water Reclamation District:** As of February 2017, this agency did not have its own website, but did have past years' comprehensive annual financial reports available on the Illinois Comptroller's website. Partial points were awarded for financial reporting information.
- **Central Arkansas Water:** Partial points were awarded in the checkbook-level spending category for the inclusion of procurements information on the district's website.
- **Charlotte Mecklenburg Hospital Authority:** Partial credit were awarded in the financial reporting category for the financial information provided in each year's Annual Report; however, this spending information is only provided as an annual total expenditures figure. Points for historical financial reports were awarded for the documents posted on EMMA.
- **Delaware River and Bay Authority:** While the agency provides a FY17 budget with itemized expenditure categories, no revenue information is provided, earning the district no points for a budget document.
- **Delaware River Port Authority:** While the agency does have a FY17 Capital Budget available on the website, the document does not include revenue information, receiving no points in the budget category. The district also provides limited procurement information on its site, with only one awarded bid listed, resulting in no points in the checkbook category.
- **Des Moines Area Regional Transit District:** Comprehensive annual financial reports are available on the Iowa State Auditor's website, giving the district partial points for financial reporting. Historical budget documents are available on the auditor's site as well, but received no points as they are not available on the district's website itself.
- **Denver Regional Transportation District:** While the agency provides both a monthly payment register and a monthly purchase order summary, no points were awarded in the checkbook-level spending category. The agency only makes available two months of data at a time, as opposed to a full fiscal year.
- **Forestvale Cemetery District:** As of February 2017, this district did not have an independent website. While the district did not receive points in the financial reporting category, the district's net expenditures and revenues are included in Lewis and Clark County's comprehensive annual financial report.

- **Greenville Health System:** Partial points were awarded in the financial reporting category for the Community Benefit Report, which includes financial highlights.
- **Hartford County Metropolitan District:** The district provides a procurements portal with past awarded contracts information, including contractor, payment amount and a brief description of service provided, earning the district partial points for checkbook-level spending.
- **Inland Empire Health Plan:** No points were awarded in the budget category. A recent budget is accessible online on the California state Comptroller's site, but the document itself appears nowhere on the agency's website. While the district provides a link to a procurements portal, users must register in order to view the information, receiving no points.
- **Jackson Energy Authority:** While no points were awarded in the financial reporting category, the district's net expenditure and revenue information is included in Jackson city's comprehensive annual financial report.
- **Jefferson County Drainage District 6:** Partial points were awarded for checkbook-level spending, as the district provides a list of procurements with contractor, amount paid and description of services.
- **Johnson County Water District 1:** While the district offers a procurements page on its website, the ability to view awarded bids is limited and amount paid is not provided. No points were awarded for checkbook-level spending.
- **King County Rural Library District:** While the district discloses vendor payments over \$20,000 in the monthly board meeting packets, they are not accessible in a uniform database, earning no points in the checkbook-spending category. Partial points were awarded in the budget category. While the agency provides a Budget Book online, revenue is presented as a bulk figure. Monthly board meeting packets include monthly expenditures, but do not address the annual budget. Points for historical financial statements were awarded due to the publication of the district's comprehensive annual financial reports on the Washington State Auditor's website.
- **Louisville-Jefferson County Metropolitan Sewer District:** Partial credit was awarded for ability to download checkbook-level spending. While each individual page of the checkbook is downloadable, it is not downloadable as one document.
- **Lee Memorial Health System:** Full points were awarded for historical financial reporting, as the district's comprehensive annual financial reports are available on EMMA.
- **Los Angeles City Housing Authority:** While the district provides information on currently open procurement bids on its website, no historical data is provided. The district received no points for checkbook-level spending. While the district provides a list of itemized revenue sources in its Annual Plan, no itemized list of expenditures is provided in the document, earning the district no points for the budget category.
- **Los Angeles County Metropolitan Transportation Authority:** Partial points were awarded for checkbook-

level spending as the district provides procurement information back to 2015.

- **Lower Colorado River Authority:** While the district has in the past provided checkbook-level spending, the district has since stopped publishing this information. The district lists currently open procurement bids on its website with no awarded contract bids. For these reasons, the district received no points for checkbook-level spending.
- **Metropolitan Water District of Southern California:** This district received partial points in the checkbook-level spending category for past procurement information provided on the district's website.
- **Minneapolis-St. Paul Metropolitan Airports Commission:** While the district does provide a link to an external procurements portal, the historical bid information does not cover a full year, receiving no points for checkbook-level spending.
- **Monongalia County Urban Mass Transit Authority:** The agency's comprehensive annual financial reports are available on the West Virginia state Comptroller's page, receiving partial points in the financial reporting category.
- **Nebraska Public Power District:** While the district provides a list of procurements on its website including past contracts and the winner of each bid, no individual payment amount is listed, earning the district no points for checkbook-level spending.
- **New York and New Jersey Port Authority:** The district received partial points for checkbook-level spending

due to its procurement portal, provided on the website.

- **Nor-Lea Hospital District:** Points were awarded for historical financial reporting, as past years' comprehensive annual financial reports are available on the New Mexico State Auditor's website.
- **North Broward Hospital District:** Partial points were awarded in the financial reporting category for the inclusion of consolidated financial statements.
- **North Platte Natural Resources District:** Comprehensive annual financial reports are available on the Nebraska State Auditor's website, receiving partial points for financial reporting.
- **Northeast Maryland Waste Disposal Authority:** While multiple counties reported their annual payments made to the district in county comprehensive annual financial reports, no information on district expenditures were provided, earning the district no points for financial reporting.
- **Omaha Public Power District:** No points were awarded in the budget category for the Capital Operating Plan due to the limited itemization of expenditure categories.
- **Orange County Housing Finance Authority:** While the district has a FY15/16 budget document available on its website, no FY17 budget is available, earning the district no points for the current budget criteria.
- **Philadelphia Parking Authority:** While the district provides a list of procurements on its website, the winning contractor and amount awarded are not

provided, earning the district no points for checkbook-level spending.

- **Providence Housing Authority:** Partial points were awarded in the financial reporting category for the condensed financial information provided in the Annual Report. While the document referred readers to further financial documents for more detailed information, we were unable to locate these on the website.
- **Sacramento Area Flood Control:** While the district offers some procurement information on its website, the most recently awarded bid is from 2013, earning the district no points in the checkbook-level spending category.
- **Sacramento Municipal Utility District:** While the district provides a searchable database of past procurements, the winning contractor and amount paid are not clearly available, and more information is only accessible after creating an account. The district received no points for checkbook-level spending.
- **Salt River Project Agricultural Improvement and Power District:** The district received points for the publication of past comprehensive annual financial reports on EMMA.
- **San Diego Regional Airport Authority:** While the district does provide a link to an external procurements portal, amount paid to the winning contractor is not available on at least some bids. The district received no points for checkbook-level spending.
- **Southeastern Pennsylvania Transportation Authority:** While the district's website provides an electronic

procurement portal, viewing details of bids is not available without registering for an account. The district received no points for checkbook-level spending.

- **Southern Nevada Water Authority:** Though the spending criteria call for the FY 15 CAFR in order to receive full points, full points were awarded instead for the publication of the FY 16 CAFR, since the agency elects to only publish one year of financial information.
- **Southwest Florida Water Management District:** While the district does provide a link to an external portal of procurements including those already awarded, the amount paid is not provided. The district earned no points in the checkbook-level spending category.
- **St. Tammany Hospital District 1:** Partial points were awarded in the spending category for the publication of the district's comprehensive annual financial reports on the Louisiana State Auditor's website.
- **Utah Transit Authority:** While the district does not provide a record of checkbook-level spending on its own site, the district's itemized revenues and expenditures are reported in the Utah state checkbook, earning the district full points for checkbook-level spending. However, the information is only downloadable in small pieces and not as one dataset, earning partial points in the bulk downloadable category.
- **Wayne County Airport Authority:** While the district provides a link to an external procurement portal, no awarded listings include the winning contractor and amount paid. The district received no points for checkbook-level spending.

Appendix B: Transparency Scorecard

Note: For special districts that span more than one state, the state listed is the one in which it primarily operates according to the Census database. Function type descriptions are also provided by the Census.

State	District	Function Type	Grade	Point Total	Checkbook-Level Expenditures				
					Checkbook	Search by Recipient	Search by Keyword	Bulk Downloadable	Excluded Information
Total Possible				100	28	10	10	4	6
AK	AVCP Regional Housing Authority	Housing and Community Development	F	0	0	0	0	0	0
AL	Huntsville Health Care Authority	Hospital	F	0	0	0	0	0	0
AR	Central Arkansas Water	Water Supply Utility	D-	26	12	0	0	0	0
AZ	Salt River Project Agricultural Improvement & Power District	Electric Power Utility	F	14	0	0	0	0	0
CA	Bay Area Rapid Transit	Public Mass Transit Utility	D-	29	0	0	0	0	0
CA	Inland Empire Health Plan	Health	F	0	0	0	0	0	0
CA	Los Angeles City Housing Authority	Housing and Community Development	F	17	0	0	0	0	0
CA	Los Angeles County Metropolitan Transportation Authority	Public Mass Transit Utility	C-	47	12	0	0	0	0
CA	Metropolitan Transportation Commission	Regular Highway	F	19	0	0	0	0	0
CA	Metropolitan Water District of Southern California	Water Supply Utility	C	50	12	0	0	0	0
CA	Orange County Fire Authority	Local Fire Protection	C	50	12	0	0	0	0
CA	Sacramento Area Flood Control Agency	Flood Control	F	18	0	0	0	0	0
CA	Sacramento Municipal Utility District	Electric Power Utility	D	34	0	0	0	0	0
CA	San Diego County Regional Airport Authority	Air Transportation (Airport)	D	35	0	0	0	0	0
CA	Self-Insured Schools of California Health & Welfare Benefits Program	Education	F	0	0	0	0	0	0

State	District	Function Type	Grade	Point Total	Checkbook-Level Expenditures				
					Checkbook	Search by Recipient	Search by Keyword	Bulk Downloadable	Excluded Information
Total Possible				100	28	10	10	4	6
CA	Westlands Water District	Irrigation	F	6	0	0	0	0	0
CO	Denver Regional Transportation District	Public Mass Transit Utility	D	31	0	0	0	0	0
CT	Hartford County Metropolitan District	Other Multi-function District	C-	47	12	0	0	0	0
D.C.	Washington Metropolitan Area Transit Authority	Public Mass Transit Utility	D	35	0	0	0	0	0
DE	Delaware River and Bay Authority	Other Multi-function District	D-	23	0	0	0	0	0
FL	Children's Services Council of Palm Beach County	Public Welfare	D	35	0	0	0	0	0
FL	Lee Memorial Health System	Hospital	D	33	0	0	0	0	0
FL	North Broward Hospital District	Hospital	F	10	0	0	0	0	0
FL	Orange County Housing Finance Authority	Mortgage Credit	F	15	0	0	0	0	0
FL	South Broward Hospital District	Hospital	D	33	0	0	0	0	0
FL	Southwest Florida Water Management District	Other Natural Resources	D	35	0	0	0	0	0
GA	Municipal Gas Authority of Georgia	Gas Supply Utility	F	10	0	0	0	0	0
HI	Office of Hawaiian Affairs	Other Multi-function District	F	14	0	0	0	0	0
IA	Des Moines Metropolitan Transit Authority	Public Mass Transit Utility	D-	25	0	0	0	0	0
ID	Kootenai Hospital District	Hospital	F	13	0	0	0	0	0
IL	Bloomington-Normal Water Reclamation District	Reclamation	F	11	0	0	0	0	0
IL	Chicago Park District	Parks and Recreation	D	35	0	0	0	0	0
IL	Chicago Transit Authority	Public Mass Transit Utility	A	90	28	10	10	0	6
IN	Indiana Municipal Power Agency	Electric Power Utility	F	14	0	0	0	0	0
KS	Johnson County Water District 1	Water Supply Utility	D-	25	0	0	0	0	0
KY	Louisville-Jefferson County Metropolitan Sewer District	Sewerage	A-	89	28	10	10	0	0
LA	St. Tammany Hospital District 1	Hospital	F	10	0	0	0	0	0

State	District	Function Type	Grade	Point Total	Checkbook-Level Expenditures				
					Checkbook	Search by Recipient	Search by Keyword	Bulk Downloadable	Excluded Information
Total Possible				100	28	10	10	4	6
MA	Boston Housing Authority	Housing and Community Development	D	32	0	0	0	0	0
MD	Northeast Maryland Waste Disposal Authority	Solid Waste Management	F	0	0	0	0	0	0
ME	Hospital Administration District 4	Hospital	F	0	0	0	0	0	0
MI	Wayne County Airport Authority	Air Transportation (Airport)	D	35	0	0	0	0	0
MN	Minneapolis-St. Paul Metropolitan Airports Commission	Air Transportation (Airport)	D	35	0	0	0	0	0
MO	Metropolitan St. Louis Sewer District	Sewerage	D	35	0	0	0	0	0
MS	Municipal Gas Authority of Mississippi	Gas Supply Utility	F	0	0	0	0	0	0
MT	Forestvale Cemetery District	Cemetery	F	0	0	0	0	0	0
NC	Charlotte Mecklenburg Hospital Authority	Hospital	F	13	0	0	0	0	0
ND	Fargo Park District	Parks and Recreation	D-	29	0	0	0	0	0
NE	Nebraska Public Power District	Electric Power Utility	F	14	0	0	0	0	0
NE	North Platte Natural Resources District	Soil and Water Conservation	F	10	0	0	0	0	0
NE	Omaha Public Power District	Electric Power Utility	D-	26	12	0	0	0	0
NH	Manchester Housing And Redevelopment Authority	Housing and Community Development	F	0	0	0	0	0	0
NJ	Delaware River Port Authority	Other Multi-function District	D-	23	0	0	0	0	0
NM	Nor-Lea Hospital District	Hospital	F	10	0	0	0	0	0
NV	Southern Nevada Water Authority	Water Supply Utility	D-	27	0	0	0	0	0
NY	New York and New Jersey Port Authority	Other Multi-function District	C	54	12	0	0	0	0
NY	Waterfront Commission	Police Protection	F	11	0	0	0	0	0
OH	Columbus Metropolitan Housing Authority	Housing and Community Development	F	10	0	0	0	0	0
OK	Oklahoma City Housing Authority	Housing and Community Development	F	2	0	0	0	0	0

State	District	Function Type	Grade	Point Total	Checkbook-Level Expenditures				
					Checkbook	Search by Recipient	Search by Keyword	Bulk Downloadable	Excluded Information
Total Possible				100	28	10	10	4	6
OR	Tri-County Metropolitan Transportation District of Oregon	Public Mass Transit Utility	B	77	28	10	0	0	6
PA	Beaver County Industrial Development Authority	Industrial Development	F	8	0	0	0	0	0
PA	Philadelphia Parking Authority	Parking Facility	F	15	0	0	0	0	0
PA	Southeastern Pennsylvania Transportation Authority	Public Mass Transit Utility	D	33	0	0	0	0	0
RI	Providence Housing Authority	Housing and Community Development	F	9	0	0	0	0	0
SC	Greenville Health System	Hospital	F	10	0	0	0	0	0
SD	Heartland Consumers Power District	Electric Power Utility	F	17	0	0	0	0	0
TN	Jackson Energy Authority	Other Multi-function District	F	6	0	0	0	0	0
TX	Jefferson County Drainage District 6	Drainage	F	12	12	0	0	0	0
TX	Lower Colorado River Authority	Electric Power Utility	D	33	0	0	0	0	0
TX	Metropolitan Transit Authority of Harris County	Public Mass Transit Utility	A	93	28	10	10	0	6
TX	North Texas Tollway Authority	Toll Highway	A-	81	28	10	10	0	6
TX	Port of Houston Authority	Sea and Inland Port Facility	A	95	28	10	10	0	6
UT	Utah Transit Authority	Public Mass Transit Utility	A-	86	28	10	10	0	0
VA	Metropolitan Washington Airports Authority	Other Multi-function District	D	35	0	0	0	0	0
VA	Southwest Virginia Regional Jail Authority	Correctional Institution	F	2	0	0	0	0	0
VT	Vermont Public Power Supply Authority	Electric Power Utility	F	0	0	0	0	0	0
WA	King County Rural Library District	Library	F	17	0	0	0	0	0
WI	WPPI Energy	Electric Power Utility	F	10	0	0	0	0	0
WV	Monongalia County Urban Mass Transit Authority	Public Mass Transit Utility	F	10	0	0	0	0	0
WY	Campbell County Hospital District	Hospital	F	0	0	0	0	0	0

State	District	Function Type	Grade	Budget				Financial Reporting	
				FY17 Budget Doc	Historical Budgets	Salaries	Downloadable	FY15 CAFR	Historical CAFRs
Total Possible				12	4	6	4	12	4
AK	AVCP Regional Housing Authority	Housing and Community Development	F	0	0	0	0	0	0
AL	Huntsville Health Care Authority	Hospital	F	0	0	0	0	0	0
AR	Central Arkansas Water	Water Supply Utility	D-	0	0	0	0	10	4
AZ	Salt River Project Agricultural Improvement & Power District	Electric Power Utility	F	0	0	0	0	10	4
CA	Bay Area Rapid Transit	Public Mass Transit Utility	D-	12	0	3	0	10	4
CA	Inland Empire Health Plan	Health	F	0	0	0	0	0	0
CA	Los Angeles City Housing Authority	Housing and Community Development	F	0	0	3	0	10	4
CA	Los Angeles County Metropolitan Transportation Authority	Public Mass Transit Utility	C-	12	4	3	0	12	4
CA	Metropolitan Transportation Commission	Regular Highway	F	0	0	3	0	12	4
CA	Metropolitan Water District of Southern California	Water Supply Utility	C	12	4	6	0	12	4
CA	Orange County Fire Authority	Local Fire Protection	C	12	4	6	0	12	4
CA	Sacramento Area Flood Control Agency	Flood Control	F	0	4	0	0	10	4
CA	Sacramento Municipal Utility District	Electric Power Utility	D	12	4	6	0	10	2
CA	San Diego County Regional Airport Authority	Air Transportation (Airport)	D	12	4	3	0	12	4
CA	Self-Insured Schools of California Health & Welfare Benefits Program	Education	F	0	0	0	0	0	0
CA	Westlands Water District	Irrigation	F	0	0	6	0	0	0
CO	Denver Regional Transportation District	Public Mass Transit Utility	D	12	2	3	0	12	2
CT	Hartford County Metropolitan District	Other Multi-function District	C-	12	4	3	0	12	4
D.C.	Washington Metropolitan Area Transit Authority	Public Mass Transit Utility	D	12	4	3	0	12	4
DE	Delaware River and Bay Authority	Other Multi-function District	D-	0	4	3	0	12	4

State	District	Function Type	Grade	Budget				Financial Reporting	
				FY17 Budget Doc	Historical Budgets	Salaries	Downloadable	FY15 CAFR	Historical CAFRs
Total Possible				12	4	6	4	12	4
FL	Children's Services Council of Palm Beach County	Public Welfare	D	12	4	3	0	12	4
FL	Lee Memorial Health System	Hospital	D	12	4	3	0	10	4
FL	North Broward Hospital District	Hospital	F	12	0	3	0	10	4
FL	Orange County Housing Finance Authority	Mortgage Credit	F	0	2	3	0	10	0
FL	South Broward Hospital District	Hospital	D	12	4	3	0	10	4
FL	Southwest Florida Water Management District	Other Natural Resources	D	12	4	3	0	12	4
GA	Municipal Gas Authority of Georgia	Gas Supply Utility	F	0	0	0	0	10	0
HI	Office of Hawaiian Affairs	Other Multi- function District	F	0	0	0	0	10	4
IA	Des Moines Metropolitan Transit Authority	Public Mass Transit Utility	D-	12	0	3	0	6	4
ID	Kootenai Hospital District	Hospital	F	0	0	3	0	6	4
IL	Bloomington- Normal Water Reclamation District	Reclamation	F	0	0	3	0	6	2
IL	Chicago Park District	Parks and Recreation	D	12	4	3	0	12	4
IL	Chicago Transit Authority	Public Mass Transit Utility	A	12	4	6	0	10	4
IN	Indiana Municipal Power Agency	Electric Power Utility	F	0	0	0	0	10	4
KS	Johnson County Water District 1	Water Supply Utility	D-	12	0	3	0	10	0
KY	Louisville-Jefferson County Metropolitan Sewer District	Sewerage	A-	12	4	6	0	12	4
LA	St. Tammany Hospital District 1	Hospital	F	0	0	0	0	6	4
MA	Boston Housing Authority	Housing and Community Development	D	12	2	6	0	10	2
MD	Northeast Maryland Waste Disposal Authority	Solid Waste Management	F	0	0	0	0	0	0
ME	Hospital Administration District 4	Hospital	F	0	0	0	0	0	0
MI	Wayne County Airport Authority	Air Transportation (Airport)	D	12	4	3	0	12	4

State	District	Function Type	Grade	Budget				Financial Reporting	
				FY17 Budget Doc	Historical Budgets	Salaries	Downloadable	FY15 CAFR	Historical CAFRs
Total Possible				12	4	6	4	12	4
MN	Minneapolis-St. Paul Metropolitan Airports Commission	Air Transportation (Airport)	D	12	4	3	0	12	4
MO	Metropolitan St. Louis Sewer District	Sewerage	D	12	4	3	0	12	4
MS	Municipal Gas Authority of Mississippi	Gas Supply Utility	F	0	0	0	0	0	0
MT	Forestvale Cemetery District	Cemetery	F	0	0	0	0	0	0
NC	Charlotte Mecklenburg Hospital Authority	Hospital	F	0	0	3	0	6	4
ND	Fargo Park District	Parks and Recreation	D-	12	4	3	0	10	0
NE	Nebraska Public Power District	Electric Power Utility	F	0	0	0	0	10	4
NE	North Platte Natural Resources District	Soil and Water Conservation	F	0	0	0	0	6	4
NE	Omaha Public Power District	Electric Power Utility	D-	0	0	0	0	10	4
NH	Manchester Housing And Redevelopment Authority	Housing and Community Development	F	0	0	0	0	0	0
NJ	Delaware River Port Authority	Other Multi-function District	D-	0	4	3	0	12	4
NM	Nor-Lea Hospital District	Hospital	F	0	0	0	0	6	4
NV	Southern Nevada Water Authority	Water Supply Utility	D-	12	0	3	0	12	0
NY	New York and New Jersey Port Authority	Other Multi-function District	C	12	4	6	4	12	4
NY	Waterfront Commission	Police Protection	F	0	0	3	0	6	2
OH	Columbus Metropolitan Housing Authority	Housing and Community Development	F	0	0	0	0	6	4
OK	Oklahoma City Housing Authority	Housing and Community Development	F	0	0	0	0	0	2
OR	Tri-County Metropolitan Transportation District of Oregon	Public Mass Transit Utility	B	12	4	3	0	10	4
PA	Beaver County Industrial Development Authority	Industrial Development	F	0	0	0	0	6	2
PA	Philadelphia Parking Authority	Parking Facility	F	0	0	3	0	10	2

State	District	Function Type	Grade	Budget				Financial Reporting	
				FY17 Budget Doc	Historical Budgets	Salaries	Downloadable	FY15 CAFR	Historical CAFRs
Total Possible				12	4	6	4	12	4
PA	Southeastern Pennsylvania Transportation Authority	Public Mass Transit Utility	D	12	4	3	0	10	4
RI	Providence Housing Authority	Housing and Community Development	F	0	0	3	0	6	0
SC	Greenville Health System	Hospital	F	0	0	0	0	6	4
SD	Heartland Consumers Power District	Electric Power Utility	F	0	0	3	0	10	4
TN	Jackson Energy Authority	Other Multi- function District	F	0	0	0	0	6	0
TX	Jefferson County Drainage District 6	Drainage	F	0	0	0	0	0	0
TX	Lower Colorado River Authority	Electric Power Utility	D	12	4	3	0	10	4
TX	Metropolitan Transit Authority of Harris County	Public Mass Transit Utility	A	12	4	3	4	12	4
TX	North Texas Tollway Authority	Toll Highway	A-	0	4	3	4	12	4
TX	Port of Houston Authority	Sea and Inland Port Facility	A	12	4	3	4	12	4
UT	Utah Transit Authority	Public Mass Transit Utility	A-	12	4	3	0	12	4
VA	Metropolitan Washington Airports Authority	Other Multi- function District	D	12	4	3	0	12	4
VA	Southwest Virginia Regional Jail Authority	Correctional Institution	F	0	0	0	0	0	2
VT	Vermont Public Power Supply Authority	Electric Power Utility	F	0	0	0	0	0	0
WA	King County Rural Library District	Library	F	0	4	3	0	6	4
WI	WPPI Energy	Electric Power Utility	F	0	0	0	0	10	0
WV	Monongalia County Urban Mass Transit Authority	Public Mass Transit Utility	F	0	0	0	0	6	4
WY	Campbell County Hospital District	Hospital	F	0	0	0	0	0	0

Appendix C: List of Questions Posed to Special District Officials

Our researchers sent a list of questions and an initial assessment of each special districts' online financial transparency to district contacts, and received responses from such officials at 23 districts (officials in 56 did not respond). Our researchers used the responses to ensure that the information gathered from the websites was up-to-date and accurate, and to supplement the content of the report. Below is a list of questions posed to district officials:

1. The attached spreadsheet lists each item for which your transparency website could have received credit, followed by either a **Y** (yes), **N** (no), or **P** (partially) indicating whether we found that feature on the site. If you believe that our scoring gives less credit than appropriate, **please explain to us exactly how to find the feature so we can confirm it is on the website.** If you believe that our scoring gives more credit than appropriate, please also let us know. If you are able to update the website by February 9 to include a transparency feature currently missing or incomplete, please notify us and we will incorporate the update into this year's report.
2. Has [SPECIAL DISTRICT] created innovative features that track district finances or interface spending data with other information, but are not part of our inventory? We would like the text in our report to bring attention to innovative features, even when they do not affect the summary score.
3. Please tell us about any special challenges with implementing best practices in your state, such as jurisdictional, technological or legal issues.

Notes

1 Number of special districts: U.S. Census Bureau's American FactFinder, "Special-Purpose Local Governments by State: Census Years 1942 to 2012", accessed on 21 February 2017, archived at <https://web.archive.org/web/20170222005202/https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk>. Special district expenditures: Special district expenditures: U.S. Census Bureau, "State & Local Government Finance: Individual Unit File- Public Use Format" (*text files*), accessed in September 2016 at <https://www.census.gov/govs/local/>. Data summed by special district expenditure codes, found at U.S. Census Bureau, *Government Finance and Employment Classification Manual*, October 2006, archived at https://web.archive.org/web/20170410204323/https://www2.census.gov/govs/pubs/classification/2006_classification_manual.pdf.

2 Deirdre Cummings, MASSPIRG Education Fund, Phineas Baxandall, U.S. PIRG Education Fund, and Kari Wohlschlegel, Frontier Group, *Out of the Shadows: Massachusetts Quasi-Public Agencies and the Need for Budget Transparency*, Spring 2010.

3 Adam Edelen, Kentucky Auditor of Public Accounts, *Ghost Government: A Report on Special Districts in Kentucky*, November 2012, archived at https://web.archive.org/web/20170410212110/http://apps.auditor.ky.gov/Public/Audit_Reports/Archive/%202012GhostGvoernmentSpecialDistrictsreport.pdf.

4 Texas Comptroller of Public Accounts, "Transparency Stars General Criteria", accessed on 18 February 2017, archived at https://web.archive.org/save/_embed/https://comptroller.texas.gov/transparency/local/stars/general-criteria.php.

5 Illinois General Assembly, "Public Act 098-1027", accessed on 7 March 2017, archived at <https://web.archive.org/web/20170410212008/http://www.ilga.gov/legislation/publicacts/98/098-1027.htm>.

6 Kentucky Legislature, "HB 1", accessed on 25 February 2017, archived at <https://web.archive.org/web/20160304031200/http://www.lrc.ky.gov/record/13RS/HB1.htm>.

7 Special district expenditures: U.S. Census Bureau, "State & Local Government Finance: Individual Unit File- Public Use Format" (*text files*), accessed in September 2016 at <https://www.census.gov/govs/local/>. Data summed by special district expenditure codes, found at U.S. Census Bureau, *Government Finance and Employment Classification Manual*, October 2006, archived at https://web.archive.org/web/20170410204323/https://www2.census.gov/govs/pubs/classification/2006_classification_manual.pdf.

8 Number of special districts and their spending: U.S. Census Bureau's American Fact-Finder, "Special-Purpose Local Governments by State: Census Years 1942 to 2012", accessed on 21 February 2017, archived at <https://web.archive.org/web/20170222005202/https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk>; State budget comparisons: California: Edmund Brown, California Department of Finance, *California State Budget 2016-2017*, archived at <https://web.archive.org/web/20170316221030/http://www.ebudget.ca.gov/2016-17/pdf/BudgetSummary/SummaryCharts.pdf>; Iowa: Holly Lyons, Iowa Legislative Services Agency, *2015 Session Fiscal Report*, archived at <https://web.archive.org/web/20170316221212/https://www.legis.iowa.gov/docs/publications/FR/680615.pdf>; Utah: Jonathan Ball, Utah Office of the Legislative Fiscal Analyst, *Budget of the State of Utah and Related Appropriations 2016-2017*, archived at <https://web.archive.org/web/20170316221502/http://le.utah.gov/interim/2016/pdf/00002225.pdf>; Vermont: Vermont Legislative Joint Fiscal Office, *FY17 Appropriations by Fund*, archived at https://web.archive.org/web/20170316221637/http://www.leg.state.vt.us/jfo/appropriations/fy_2017/FY17_budget_pie_charts.pdf.

9 U.S. Census Bureau, "Federal, State & Local Governments: Definitions", accessed on 28 March 2017, archived at <https://web.archive.org/web/20170406170253/https://www.census.gov/govs/definitions/index.html>.

10 U.S. Census Bureau, "Population of Interest- Special Districts", accessed on 12 February 2017, archived at https://web.archive.org/web/20170410212434/https://www.census.gov/govs/go/special_district_governments.html.

11 U.S. Census Bureau's American Fact-Finder, "Special-Purpose Local Governments by State: Census Years 1942 to 2012", accessed on 21 February 2017, archived at <https://web.archive.org/web/20170222005202/https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk>

12 These function categories are those used by the U.S. Census Bureau: U.S. Census Bureau, *Government Finance and Employment Classification Manual*, Table 1.2- Government Organization Function Codes and Their Associated Finance Expenditure Codes, October 2006, archived at https://web.archive.org/web/20170410204323/https://www2.census.gov/govs/pubs/classification/2006_classification_manual.pdf.

13 Christopher R. Berry, *Imperfect Union: Representation and Taxation in Multilevel Government*, Cambridge University Press, 2009.

14 Ibid.

15 U.S. Census Bureau, "List and Structure of Governments: Number of Special Districts", accessed on 3 March 2017, archived at https://web.archive.org/web/20170306185314/https://www.census.gov/govs/go/number_of_special_districts_by_county.html.

16 Kathryn Foster, *The Political Economy of Special-Purpose Government*, 1997. Washington, DC: Georgetown University Press.

17 Ibid.

18 Barbara McCabe, "Special-District Formation Among the States", *State and Local Government Review*, Vol. 32 No. 2, Spring 2000.

19 Alberta M. Sbragia, *Debt Wish: Entrepreneurial Cities, U.S. Federalism, and Economic Development*, 1996, University of Pittsburgh Press.

20 Michael Nelson, "Decentralization of Subnational Public Sector: An Empirical Analysis of the Determinants of Local Government Structure in Metropolitan Areas in the U.S.", *Southern Economic Journal*, Vol. 57 No. 2, October 1990.

21 See note 2.

22 See note 18.

23 See note 13.

24 See note 18.

25 See note 16.

26 U.S. Census Bureau, “2012 Census of Governments, Table 9. Special Districts by Function and State: 2012”, accessed on 3 March 2017, archived at <https://web.archive.org/web/20170306185039/https://www.census.gov/govs/cog/>.

27 Texas Commission on Environmental Quality, “Texas Water Districts: A General Guide”, December 2004, available at https://www.tceq.texas.gov/publications/gi/gi-043.html/at_download/file.

28 John D. Harden, “The cost of growth,” *Denton Record-Chronicle*, 9 February 2014.

29 Colorado Real Estate Journal, “Landmark court case impacts special district bond market”, April 2016, archived at https://web.archive.org/save/_embed/http://crej.com/news/landmark-court-case-impacts-special-district-bond-market/.

30 Colorado Municipal League, *2016 Colorado Laws Enacted Affecting Municipal Governments* (PDF), June 2016, available at <https://www.cml.org/2016-laws/>.

31 Thomas Suozzi, Nassau County Executive, *Special District Election Date Study: A Crazy Quilt*, July 2007, archived at https://web.archive.org/web/20170410212858/http://www.longislandweb.com/resd/pdf/Special_District_Election_Date_Study.pdf.

32 State of Idaho Legislative Services Office, *Special Districts in Idaho*, 14 January 2014, archived at: <https://web.archive.org/web/20170410213018/https://legislature.idaho.gov/wp-content/uploads/audit/localgov-audits/specialdistrictreport2014.pdf>.

33 See note 3.

34 Electronic Municipal Market Access, “Overview”, accessed on 10 March 2017, archived at https://web.archive.org/save/_embed/https://emma.msrb.org/AboutEMMA/Overview.aspx.

35 Barton Lorimor, Policy Analyst, Office of the Illinois Comptroller, personal communication, 6 November 2014.

36 Olivera Perkins, “Public Sector Workers Make More in Salary and Benefits Than Those in Private Sector, Labor Department Says,” *Cleveland Plain Dealer*, 12 September 2013; Congressional Budget Office, “Comparing the Compensation of Federal and Private-Sector Employees”, January 2012, archived at web.archive.org/web/20160325230506/https://www.cbo.gov/sites/default/files/112th-congress-2011-2012/reports/01-30-FedPay_0.pdf.

37 David Card, Alexandre Mas, Enrico Moretti, Emmanuel Saez, *National Bureau of Economic Research*, NBER Working Paper No. 16396, *Inequality at Work: The Effect of Peer Salaries on Job Satisfaction*, September 2010, archived at web.archive.org/web/20160325230608/http://www.nber.org/papers/w16396.pdf.

38 Orange County Fire Authority, “Calendar Year 2015 Employee and Board Member Compensation Report,” accessed 17 February 2017, available at <http://www.ocfa.org/Uploads/Transparency/OCFA%20Salary%20Compensation%202015.pdf>; WaterOne, “Audited Financial Statement,” 31 December 2015, archived at <https://web.archive.org/web/20170410213228/http://www.waterone.org/home/showdocument?id=1758>.

39 Hartford County Metropolitan District, “2017 Adopted Annual Budget,” accessed 17 February 2017, archived at <https://web.archive.org/web/20170410213342/http://themdc.org/assets/uploads/files/Investors%20Relations/2017%20Adopted%20Budget%20Book.pdf>.

40 Alexandre Mas, NBER Working Paper No. 20558, “Does Transparency Lead to Pay Compression?”, *National Bureau of Economic Research*, October 2014.

41 See note 13.

42 For instance, both the auditor and controller divisions of the Waterfront Commission of New York Harbor appeared to have wrong numbers, providing only a general voicemail inbox and an in-site email portal for contact information.

43 See note 7.

44 The Louisville-Jefferson County Metropolitan Sewer District does make all of its checkbook-level spending data downloadable, but the function is incapable of downloading all data in the checkbook portal in bulk.

45 See note 7.

46 Ibid.

47 Special districts in Alaska, which presently has an Independent governor, and D.C. were excluded from this calculation.

48 National Conference of State Legislatures, “2017 State and Legislative Partisan Composition”, accessed on 2 March 2017, archived at web.archive.org/web/20160325230933/http://www.ncsl.org/portals/1/ImageLibrary/WebImages/Elections/2014_Leg_Party_Control_map.gif

49 Michelle Surka, U.S. PIRG Education Fund and Elizabeth Ridlington, Frontier Group, *Following the Money 2016: How the 50 States Rate in Providing Online Access to Government Spending Data*, April 2016.

50 See note 5.

51 Regional Transportation Authority, “Regional Transparency Portal”, accessed on 17 February 2017, archived at <https://web.archive.org/web/20170410213425/http://rtachicago.org/index.php/finance-management/regional-transparency-portal.html>.

52 See note 6.

53 Department for Local Government, “SPGE Public Portal,” accessed on 25 February 2017 at <https://kydlgweb.ky.gov/Entities/specDistSearch.cfm>.

54 See note 4.

55 Texas Comptroller of Public Accounts, “Transparency Stars,” accessed on 18 February 2017, archived at <https://web.archive.org/web/20170222010619/https://www.comptroller.texas.gov/transparency/local/stars/approved.php>.

56 Government Finance Officers Association, “Certificate of Achievement for Excellence in Financial Reporting Program”, accessed 20 February 2017, <http://www.gfoa.org/coa>.

57 The five are: Chicago Park District, Children’s Services Council of Palm Beach County, the LA Metropolitan Transportation Authority, the Metropolitan Transportation Commission and the Orange County Fire Authority. <http://www.gfoa.org/2015-results-certificate-achievement-excellence-financial-reporting-program>.

58 Government Finance Officers Association, “Popular Annual Financial Reporting Award Program”, accessed 20 February 2017, archived at https://web.archive.org/save/_embed/http://gfoa.org/pafr.

59 The Special District Leadership Foundation, “District Transparency Certificate of Excellence,” accessed 21 February 2017, <http://www.sdlf.org/transparency>.

60 Crystal Howard, Metropolitan St. Lois Sewer District official, 11 February 2017, personal communication.

61 Josh Mandel, Treasurer of Ohio, “Local Government and Schools”, accessed on 6 April 2017, archived at <https://web.archive.org/web/20170406173730/http://local.ohiocheckbook.com/>.

62 Jeff Atwater, Florida’s Chief Financial Officer, “Local Government Financial Reporting: Quasi Government Spending”, accessed on 14 March 2017, archived at <https://web.archive.org/web/20170406174151/https://apps.fldfs.com/localgov/Reports/QuasiGov.aspx/>

63 See note 3.

64 See note 32.

65 See note 49.

66 Sacramento Area Flood Control Agency, “Resolution: Approving Final Fiscal Year 2015-2016 Budget,” 18 June 2015, archived at <https://web.archive.org/web/20170406170615/http://www.safca.org/documents/Finances/2016FBudFINALbd.pdf>.

67 U.S. Securities and Exchange Commission, “California Water District to Pay Penalty for Misleading Investors”, (press release), 9 March 2016, archived at <https://web.archive.org/web/20170410213650/https://www.sec.gov/news/pressrelease/2016-43.html>.

68 Governmental Accounting Standards Board, *Statement No. 34: Basic Financial Statements-and Management’s Discussion and Analysis- for State and Local Governments*, June 1999, archived at https://web.archive.org/web/20170410213722/http://www.gasb.org/jsp/GASB/Document_C/GASBDocumentPage?cid=1176160029121&acceptedDisclaimer=true.