Following the Money 2012

How the 50 States Rate in Providing
Online Access to Government Spending Data

U.S. PIRG
Education Fund

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Acknowledgments

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Executive Summary

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

In the past few years, state governments across the country have made their checkbooks transparent by creating online transparency portals.[1] These government-operated websites allow visitors to view the government's checkbook—who receives state money, how much, and for what purposes. Most of these websites are also searchable, making it easier for residents to follow the money and monitor government spending of many sorts. Today almost every state operates a transparency website with the state's checkbook accessible to the public.

Over the past two years, the number of states that give citizens access to their state's checkbook has increased from 32 to 46.
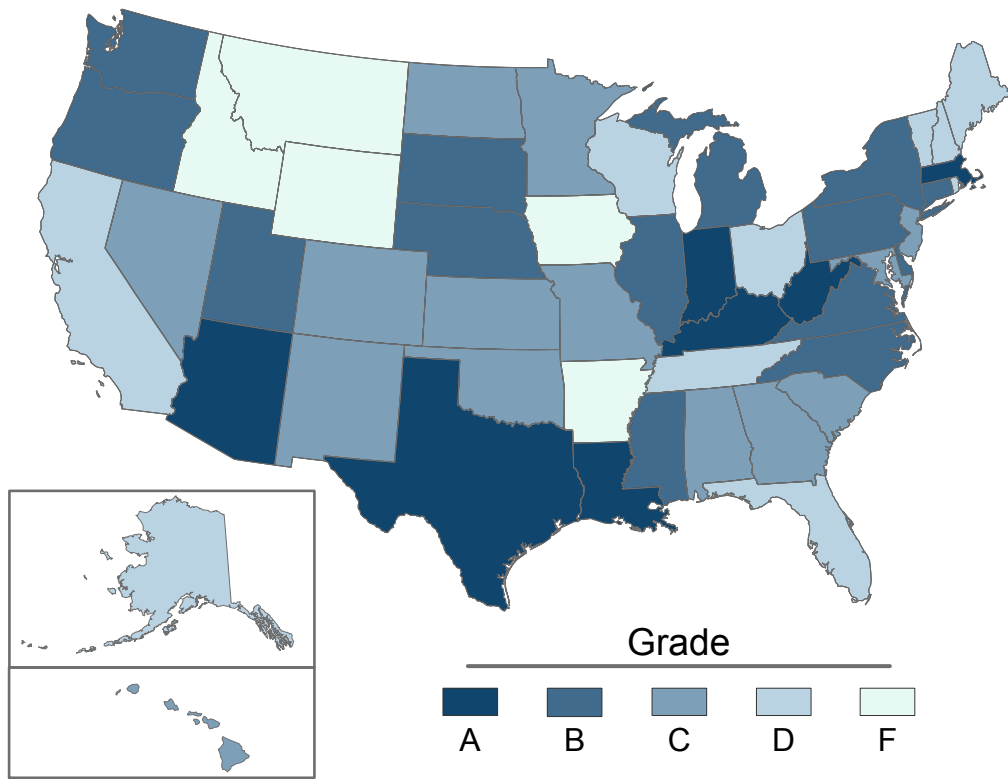
This report is U.S. PIRG Education Fund's third annual ranking of states' progress toward "Transparency 2.0"—a new standard of comprehensive, one-stop, one-click budget accountability and accessibility. The past year has seen continued progress, with new states providing online access to government spending information and several states pioneering new tools to further expand citizens' access to spending information and engagement with government.

In 2011, eight states created new transparency websites and several others made significant improvements to sites already launched.

- Connecticut, Delaware, Maine, Massachusetts, Mississippi, New Mexico, North Dakota, and West Virginia launched new checkbook-level transparency websites. Among the highlights:

  o Connecticut's website excels in searchability, one of the most important elements of Transparency 2.0. The specific payments made to vendors can be found through searches by vendor, paying agency, short

Figure ES-1: How the 50 States Rank in Providing Online Access to Government Spending Data

Grade

A　B　C　D　F

description of the good or service, year or amount.

o Delaware's website brings a new level of transparency to the state by posting spending data, such as county government expenditures, not covered in the state's checkbook expenditure data.

o Massachusetts' new checkbook tool gives users the ability to monitor state spending in almost real-time because the data are updated nightly.

o West Virginia's website has been upgraded to become a leader in Transparency 2.0. The site allows residents to browse payments to vendors, research some of the state's

quasi-public agencies, and track the state's economic recovery.

• At least seven other states notably improved their transparency websites.

o Michigan linked its transparency site to an interactive map that tracks economic development incentives, allowing residents to learn about government-funded projects in their county, information about how specific companies will spend the funds, and the estimated number of jobs to be created.

o Washington officials launched the state's online checkbook after they developed a system to remove data deemed private by the Health

Transparency 2.0 Is Comprehensive, One-Stop, One-Click Budget Accountability and Accessibility

Transparency 1.0	Transparency 2.0
Scattered: Determined residents who visit numerous agency websites or make public record requests may be able to gather information on government expenditures.	**One-Stop:** Residents can search all government expenditures on a single website.
Tool for Informed Insiders: Researchers who know what they are looking for and already understand the bureaucratic structure of government programs can dig through reports for data buried beneath layers of subcategories and jurisdictions.	**One-Click Searchable and Downloadable:** Residents can search data with a single query or browse common-sense categories. Residents can sort data on government spending by recipient, amount, legislative district, granting agency, purpose or keyword. Residents can also download data to conduct detailed off-line analyses.
Incomplete: Residents have access to only limited information about public expenditures. Information about contracts, subsidies, or tax expenditures is not disclosed online and often not collected at all.	**Comprehensive:** A user-friendly Web portal provides residents the ability to search detailed information about government contracts, spending, subsidies, and tax expenditures for all government entities.

Confirmation of Findings with State Officials

U.S. PIRG Education Fund researchers sent initial assessments and a list of questions to transparency website officials in all states and received feedback from such officials in 47 states to ensure that information was accurate and up-to-date. Website officials were given the opportunity to alert us to possible errors, clarify their online features, and discuss the benefits and challenges to achieving best practices in their state. Their comments on the challenges are discussed in the section entitled "State Officials Face Obstacles and Challenges in Operating Transparency 2.0 Websites." For a list of the questions posed to state officials, please see Appendix C.

Insurance Portability and Account-
ability Act (HIPAA) and the Family
Educational Rights and Privacy
Act (FERPA), bringing an unprec-
edented level of transparency to
Washington's spending.

In order to assess states' progress to-
ward the standards of Transparency 2.0,
each state's transparency website was ana-
lyzed and assigned a grade from zero to
100, based on 13 scoring criteria measur-
ing searchability and the breadth of infor-
mation provided. (See Figure ES-1 and
Table ES-1.) Assigning these numbers to
more familiar "A" to "F" grades makes it
possible to describe five types of states.

- **Leading states ("A" range):** Seven
  states have established user-friendly
  transparency portals that contain
  comprehensive information on gov-
  ernment expenditures. Citizens and
  watchdog groups can use the sites to
  monitor government spending quickly
  and easily. Among the most distinctive
  features of Leading states' transpar-
  ency websites is the ability to compare
  state expenditures over time.

- **Advancing states ("B" range):**
  Fourteen states have established
  websites that are user-friendly and
  searchable, but lack the breadth of in-
  formation characteristic of the Leading
  states. Eleven Advancing states provide
  only limited information on the goods
  or services purchased because they
  do not provide copies of all contracts,
  while eight do not provide descriptions
  on grants and economic development
  incentives administered by the state.

- **Emerging states ("C" range):**
  Fourteen states' websites have
  checkbook-level detail and are easily
  searchable, but are far less compre-
  hensive—in terms of checkbook detail,

information on city and county spend-
ing, and tax expenditure data—than
Leading or Advancing states.

- **Lagging states ("D" range):** Ten
  states' online checkbooks are diffi-
  cult to use. Their sites rarely provide
  spending details for off-budget agen-
  cies, post information on state revenue
  forgone through tax expenditures, or
  link to city and county expenditure
  sites.

- **Failing states ("F"):** Five states are
  failing in online transparency. Most
  Failing states have not posted their
  checkbooks online or provided other
  important information that allows
  residents to monitor state spending.

Government spending transparency is
not a partisan cause. As was the case at the
outset of 2010 and 2011, Democratic and
Republican-leaning states perform equally
well when it comes to transparency this
year. The average score for a Democratic-
leaning state (determined by political
party of the current governor) was 70.2,
while that of a Republican-leaning state
was 68.9, a difference of less than two
points. Among the seven states that scored
an "A" or "A-" , 3 have Democratic gover-
nors and four have Republican governors.
Among the five states that received an F,
two have Democratic governors and three
have Republican governors.

Some states have gone above and be-
yond standard Transparency 2.0 features.
They have developed new tools and post-
ed new sets of information on government
expenditures, giving residents the unprec-
edented ability to monitor and influence
how their government allocates resources.

- **Performance trackers:** Louisiana's
  Performance Accountability System
  has taken the lead on providing

Table ES-1. How the 50 States Rate in Providing Online Access to Government Spending Data

STATE	GRADE	SCORE	STATE	GRADE	SCORE
Texas	A	98	Oklahoma	C+	78
Kentucky	A	96	Maryland	C+	75
Indiana	A-	93	New Mexico	C+	75
Louisiana	A-	92	Hawaii	C	73
Massachusetts	A-	92	Missouri	C	72.5
West Virginia	A-	91	Nevada	C	70
Arizona	A-	90	Colorado	C-	69
New York	B+	89	Kansas	C-	68
North Carolina	B+	87	South Carolina	C-	66.5
Oregon	B+	87	North Dakota	C-	66
Utah	B+	87	Florida	D	59
Connecticut	B	85	Ohio	D	55
Washington	B	85	Maine	D-	54
Michigan	B	83	Tennessee	D-	51
Nebraska	B	83	Vermont	D-	51
South Dakota	B	83	Wisconsin	D-	50
Pennsylvania	B-	82	Alaska	D-	49
Delaware	B-	81	California	D-	49
Illinois	B-	81	Rhode Island	D-	49
Virginia	B-	81	New Hampshire	D-	48
Mississippi	B-	80	Wyoming	F	44
Georgia	C+	79	Iowa	F	19
Alabama	C+	78	Arkansas	F	8
Minnesota	C+	78	Montana	F	7
New Jersey	C+	78	Idaho	F	6

detailed performance evaluations of government agencies by listing specific agencies' yearly objectives (e.g., "increase the annual number of visitors served by the state park system to at least 2,500,000 by the end of fiscal year 2012-2013"), along with their actual performance.

- **Mapping:** Washington allows the public to see how specific areas of the

state benefit from government spending by providing an interactive mapping tool with the exact locations of state-funded construction projects.

- **Statement of the checkbook's comprehensiveness:** Some states, such as Massachusetts, show how much spending is *not* included in their transparency sites or how much activity is contracted out.

- **Integration with local government transparency:** Some states create programs to actively encourage greater transparency by recognizing local government transparency efforts or sharing platforms.

All states, including Leading states, have many opportunities to improve their transparency websites.

- Only one state—Illinois—provides information on both the projected benefits and the actual benefits created from economic development subsidies.

- Only six states provide visitors with copies of all contracts between a vendor and the state.

- Only six states provide copies of tax expenditure reports that include

the purpose of each expenditure program. In addition, only 24 states provide tax expenditure reports that include expenditure information for all of the significant major tax types (sales, income and property) that may be affected by tax expenditures.

- Only 26 states include any information about expenditures or revenue collected by quasi-public agencies or public-private partnerships.

- Only 20 states provide access to any level of information about city and county spending, and rarely is this information checkbook-level.

- Four states—Arkansas, Idaho, Iowa, and Montana—have yet to post their checkbooks online.

Introduction

Government budgets are the most concrete expression of public values and priorities—articulated in dollars and cents. As states grapple with difficult decisions to make budgetary ends meet, opening the state checkbook to the public provides an important tool that allows both citizens and civil servants to make informed choices.

Up until a few years ago, most citizens were in the dark about how the government spent taxpayer dollars. Journalists, watchdog groups, and the most persistent citizens could find expenditure data through official information requests or by exploring the nooks and crannies of certain government websites, but for the most part, Americans' knowledge of government spending was limited to what they heard on the news.

Then in 2006, Congress passed the Federal Funding Accountability and Transparency Act (FFATA), which instructed the Office of Management and Budget to shine a light on federal spending by creating a single searchable website of federal awards, including the name of the entity receiving the payment and the payment amount.[2]

Soon after the federal spending website was launched in December 2007, public interest advocacy groups, citizens and state decision-makers across the country started asking why the states didn't have similar websites to show state payments made to vendors.[3] If information technology had advanced to the point where people could download their personal checkbooks, pay bills electronically, and purchase products on their smart phones, why shouldn't people be able to use the internet to view how the state spends their tax dollars?

In response, states one by one began opening their online checkbooks to the public. These pioneer states created a standard for online government spending—sometimes called Transparency 2.0—that set the benchmark for states' online checkbook sites to be comprehensive, one-stop and one-click searchable.

In 2009, federal laws further pushed Transparency 2.0 forward by requiring every state to place American Recovery

and Reinvestment Act (ARRA) spending online, including contract and subcontract expenditures. These laws gave states resources to develop spending transparency platforms, as well as personnel expertise and an orientation toward ratcheting up transparency.

Since then, online transparency has continued to grow. From 2010 to 2012, the number of states disclosing their checkbooks online increased from 32 to 46. In addition, states have made their transparency websites user-friendly and posted other important pieces of government spending.

This is the third annual report in U.S. PIRG Education Fund's series that assesses each state's online transparency. While many states have made progress in the past year, such as launching their transparency websites for the first time, additional progress still needs to be made, such as expanding spending data to include off-budget expenditures. This report reviews both the progress made over the past year and the road ahead in expanding online government transparency.

Transparency 2.0 Websites Empower Citizens to Track Government Spending

Practically speaking, public information isn't truly accessible unless it's online. Government spending transparency websites that meet the standard of "Transparency 2.0" give citizens and government officials the ability to monitor many aspects of state spending—saving money, preventing corruption, and encouraging the achievement of a wide variety of public policy goals.

Transparency 2.0 Websites Give Users Detailed Information on Government Expenditures

Websites that meet Transparency 2.0 standards offer information on government expenditures that is comprehensive, one-stop and one-click.

Comprehensive

Transparency websites in the leading states offer spending information that is both broad and detailed. In contrast to states with "Transparency 1.0" levels of disclosure and public access—which may offer only partial information about government contracts online—leading Transparency 2.0 states provide user-friendly searches on a comprehensive range of current and historical government expenditures, including detailed information about government contracts with private entities, subsidies, spending through the tax code, and transactions by quasi-public agencies:

- **Contracts with private companies:** Some government agencies spend well over half their budgets on outside contractors.[4] These contractors are generally subject to fewer public accountability rules, such as sunshine laws, civil service reporting requirements, and freedom of information laws. To monitor spending on contractors, it is important that states provide comprehensive online transparency for all contract spending.

- **Subsidies:** State subsidies take the form of grants, economic development incentives, and other spending

through the tax code.[5] Unmeasured, the performance of subsidies remains unmanaged and unaccountable. When it comes to *economic development subsidies*, state and local governments allocate an estimated $50 billion each year to specific entities with the intent to create jobs and spur growth, yet most governments still don't disclose full information on these expenditures and their outcomes.[6] Leading states allow citizens to measure the performance of these incentives by listing the companies or organizations that receive economic development subsidies and explaining what public benefits companies were expected to provide and delivered.[7] "*Tax expenditures*" is the more general term for subsidies bestowed through the tax code in the form of special tax exemptions, credits, deferments and preferences. Tax expenditures have the same bottom-line effect on state budgets as direct state spending, since they must be offset by cuts to other programs or by raising other taxes. Once created, tax expenditures often escape oversight because they do not appear as state budget line items and rarely require legislative approval to renew. For these reasons, spending through the tax code is in particular need of disclosure. Leading states provide transparency and accountability for tax expenditures, usually by linking their transparency portal to a tax expenditure report, which is a detailed list of the state's tax credits, deductions and exemptions with the resulting revenue loss from each.

- **Quasi-public agencies**: Over time quasi-public agencies have delivered a growing share of public functions.[8] Quasi-public agencies are independent government corporations that are created through enabling legislation to perform a particular service or a set of public functions. They operate on the federal, state and local levels, providing services such as waste management, toll roads, water treatment, community development programs and pension management. Quasi-public agencies have extraordinary control over their budgets and are not directly governed by elected officials. Because quasi-public agencies typically collect fees or some other form of their own revenue, they do not rely solely, or often even significantly, on an annual appropriation from the legislature. Their expenditures therefore fall outside the "official" state budget, so the public can only occasionally scrutinize their expenditures. A Massachusetts study, for instance, identified 42 such off-budget agencies in the state with annual revenues equal to roughly a third of the entire official state budget.[9] Leading states post spending information about revenues and expenditures by quasi-public agencies.

- **Leases and concessions to private companies:** States have sometimes sold or leased to private companies the right to construct or operate a public asset or service in return for the right to collect and retain user fees from the public. These arrangements are most common for toll roads, garages, prisons, parking meters and water systems. They have also become more common at state parks and in the operation of fee-collecting services such as motor vehicle licensing. In these "public-private partnerships," transparency mechanisms can enhance public scrutiny in lieu of other standard public protections such as civil service, conflict-of-interest, and freedom of information rules.[10]

One-Stop

Transparency websites in leading states offer a single website from which citizens can search all government expenditures. With one-stop transparency, residents as well as local and state officials can access comprehensive information on direct spending, contracts, tax expenditures and other subsidies in a single location.

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

Placing all data about government subsidies on a single website can uncover waste and highlight opportunities for savings. For example, when Minnesota began to require agencies to submit reports on the performance of subsidized projects, the reports revealed that numerous projects were

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Tool for Informed Insiders: Researchers who know what they are looking for and already understand the bureaucratic structure of government programs can dig through reports for data buried beneath layers of subcategories and jurisdictions.	**One-Click Searchable and Downloadable:** Residents can search data with a single query or browse common-sense categories. Residents can sort data on government spending by recipient, amount, legislative district, granting agency, purpose or keyword. Residents can also download data to conduct detailed off-line analyses.
Incomplete: Residents have access to only limited information about public expenditures. Information about contracts, subsidies, or tax expenditures is not disclosed online and often not collected at all.	**Comprehensive:** A user-friendly Web portal provides residents the ability to search detailed information about government contracts, spending, subsidies, and tax expenditures for all government entities.

receiving assistance from two or more funding sources—that is, Minnesota taxpayers were sometimes double- and triple-paying for the creation of the same jobs. After the centralized publication of those reports, the double-dipping stopped.[11]

One-Click Searchable and Downloadable

Transparent information is only as useful as it is easily accessible, which means easily searchable. Transparency websites in the leading states offer a range of search and sort functions that allow residents to navigate complex expenditure data with a single click of the mouse. In Transparency 1.0 states, residents who don't already know what they are searching for or where to look will tend to get stymied by inscrutable layers of subcategories, jurisdictions and data that can't be readily compared. Transparency 2.0 states, by contrast, allow residents to browse information by recipient or category, and to make directed keyword and field searches.

Citizens who want to dig deeper into government spending typically need to download and analyze the data in a spreadsheet or other form. Downloading datasets can also give residents the ability to aggregate expenditures—for a particular company, agency or date, for instance—to see patterns or understand total spending amounts that might otherwise be lost in a sea of unrelated data. Leading states enable citizens to download most or all of the most important information on their transparency websites.

Transparency 2.0 Makes Government More Effective and Accountable

States with good transparency websites have found that these sites result in a wide variety of benefits for state residents and the government. Transparency websites have helped governments find ways to save money and meet other public policy goals.

Transparency websites save money. Transparency 2.0 states tend to realize significant financial returns on their investment. The savings come from sources big and small—more efficient government administration, less staff time spent on information requests, and more competitive bidding for public projects, to name just a few—and can add up to millions of dollars. The biggest savings may be the hardest to measure: the potential abuse or waste that is avoided because government officials, contractors and subsidy recipients know the public will be looking over their shoulder.

Transparency websites often help states realize significant benefits by identifying and eliminating inefficient spending:

- In Texas, the Comptroller was able to utilize the transparency website in its first two years to save $4.8 million from more efficient administration.[12]

- Once South Dakota's new transparency website was launched, an emboldened reporter requested additional information on subsidies that led legislators to save about $19 million per year by eliminating redundancies in their economic development program.[13]

- Once Utah's transparency website revealed that the state government was spending $294,000 on bottled water

every year, the state reduced its annual bottled water expenditure to approximately $85,000.[14]

Transparency websites also save millions by reducing the number of costly information requests from residents, watchdog groups, government bodies and companies:

- Massachusetts' procurement website has saved the state $3 million by eliminating paper, postage and printing costs associated with information requests by state agencies and paperwork from vendors. Massachusetts has saved money by reducing staff time for public record management, retention, provision, archiving and document destruction.[15]

- In Utah, the State Office of Education and the Utah Tax Commission save about $15,000 a year from reduced information requests. These are only two of the more than 300 government agencies in the state, suggesting that Utah's total savings are likely far greater.[16]

- South Carolina has seen one-third as many open records requests as it had prior to the creation of its transparency website, significantly reducing staff time and saving an estimated tens of thousands of dollars.

- Every information request resolved by Mississippi's transparency website rather than by a state employee saves the state approximately $750 in staff time.[17]

- It is estimated that Kentucky's website eliminates 40 percent of the administrative costs of procurement assistance requests, and could reduce the costs associated with open records requests by as much as 10 percent.[18]

- Since the launch of Delaware's transparency website, the Department of Finance has reported a "significant reduction" in Freedom of Information Act (FOIA) requests, saving valuable staff time.[19]

Transparency websites also save states money by increasing the number of competing bidders for public projects. For example, in 2011, Massachusetts reported that by posting information on state contracts and bidding opportunities through the state's checkbook-level procurement website, Comm-Pass, bids for transportation projects funded by Recovery Act funds came in 15-20 percent below the state's initial estimate.[20]

Transparency websites also save states money by enabling them to identify opportunities to cut costs by renegotiating contracts. For example, Texas was able to renegotiate its copier machine lease to save $33 million over three years. The state was also able to negotiate prison food contracts to save $15.2 million.[21]

Online transparency offers increased support for a range of other public policy goals, including promotion of community investment and affirmative action goals. Governments often stumble when trying to meet community investment and affirmative action goals because managers struggle to benchmark agencies, spread best practices, or identify contractors who advance these goals. Online transparency portals allow states to better measure and manage the progress of such programs. For example, transparency websites allow agencies to identify minority- or woman-owned companies that have done business with other agencies across the state. Other agencies can then look to those contractors in helping to meet their own goals.

Online transparency costs little. The benefits of transparency websites have come

with a surprisingly low price tag, both for creating and maintaining the websites. Several states—including Delaware, Georgia, Ohio, and Oregon—created and update their websites with funds from their existing budgets. For websites that required a special appropriation or earmark, the cost is usually beneath $300,000 to create the website and even less to keep it updated. (See Table 1.)

Table 1: Cost to Create and Maintain a Transparency Website[22]

State	Start-Up Costs	Annual Operating Costs
Alabama	$125,000	Less than $12,000
Alaska	$5,000	"Nominal"
Arizona	$72,000, plus existing staff time	$90,000
California	$21,000	
Colorado	$200,000 from existing budget, plus existing staff time	$169,400 from existing budget
Connecticut	$13,000	Existing budget
Delaware	Existing budget	Existing budget
Florida	Existing budget	
Georgia	Existing budget	Existing budget
Iowa	Less than $75,000	$6,000
Kansas	$150,000 from existing budget	Existing budget
Kentucky	$150,000	
Louisiana	$325,000	"Minimal"
Maryland	$65,000	$5,000
Massachusetts	$540,000[23]	
Michigan	Existing budget	
Minnesota	Existing budget	
Mississippi	$2,200,000[24]	$400,000 (including operation of ARRA website)
Missouri	$293,140 from existing budget	
Nebraska	$30,000-$60,000	$10,800
Nevada	$78,000	$30,000
New Mexico	$230,000	$125,000
New York	Existing budget	
North Carolina	$624,000 for both transparency and ARRA websites	$80,600
North Dakota	$231,000	$30,000
Ohio	Existing budget	Existing budget
Oklahoma	$8,000, plus existing staff time	
Oregon	Existing budget	Existing budget
Pennsylvania	$372,000	
Rhode Island	Existing budget	
South Carolina	$30,000 in existing staff time	Existing staff time
South Dakota	Not tracked (nominal)	Existing budget
Tennessee	Existing budget	
Texas	$310,000	Existing budget
Utah	$192,800, plus existing staff time ($100,000)	$133,400
Virginia	$500,000	$400,000
Washington	$300,000	
West Virginia	Existing budget	
Wyoming	$1,600	

Note: Some costs are approximations; many "Annual Operating Costs" are blank because costs are minimal; funds for many websites for which states provided specific costs (as opposed to "existing budget") came from the existing budget as opposed to an separate appropriation; to see a list of agencies or departments responsible for administering the transparency website in each state, see Appendix D.

On the March Toward Greater Transparency: A Comparison Between 2010 and 2012

Transparency is on the march. From Washington to Mississippi to Maine, states are improving their transparency websites to allow citizens to search and view checkbook-level data on government expenditures quickly and easily.

These improvements, combined with the progress made in 2010, bring unprecedented transparency to state expenditures. From the beginning of 2010 to the beginning of 2012, the number of states that provide each transparency feature highlighted in this report has grown substantially. The number of states that provide some features, such as data on municipal spending, has doubled. (See Figure 1.)

Figure 1: The Number of States that Provide Transparency 2.0 Features Has Grown Rapidly[25]
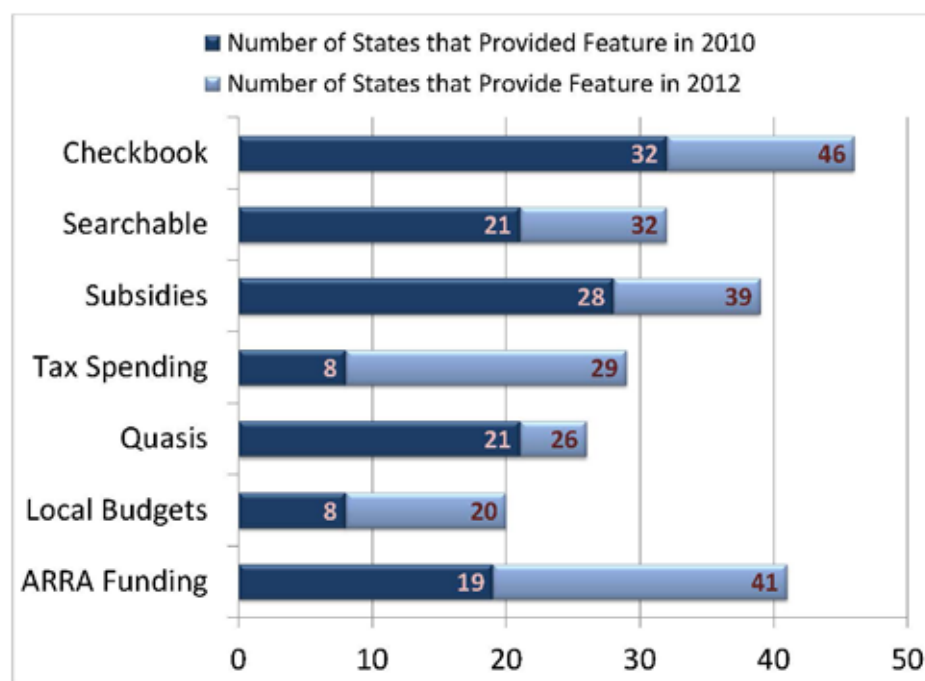
Note: the feature names in the graph are shortened names of the criteria in the scorecard: "Checkbook" refers to "Checkbook-Level Website"; "Searchable" refers to both "Search by Vendor" and "Search by Keyword or Activity"; "Subsidies refers to "Grants and Economic Development Incentives" awarded to private entities; "Tax Spending" refers to "Tax Expenditure Reports"; "Quasis" refer to quasi-public agencies, assessed in the "Off-Budget Agencies" criterion; "Local Budgets" refers to "City and County Budgets"; "ARRA Funding" is listed in the scorecard as "ARRA Funding." For explanation of the grading criteria, see Appendix B. Also note that 21 websites considered "searchable" in 2010 does not include New Jersey because the website was not checkbook-level in 2010.

Figure 2: Top 10 Most Improved Transparency Websites from 2011 to 2012[26]

Several states dramatically improved their online budget transparency in the past year. The states with the largest gains either created new transparency portals or made major improvements to their existing ones. Washington and West Virginia both saw the largest improvement of 63 points. In order, the states with the highest increase in score from last year are as follows:

	Score in 2011 Following the Money Report	Improvement Since 2011
Washington	22	85
West Virginia	28	91
North Dakota	6	66
Maine		54
Connecticut	39	85
New Hampshire	7	48
Delaware	61	81
South Dakota	63	83
Utah	70	87
New York	73	89
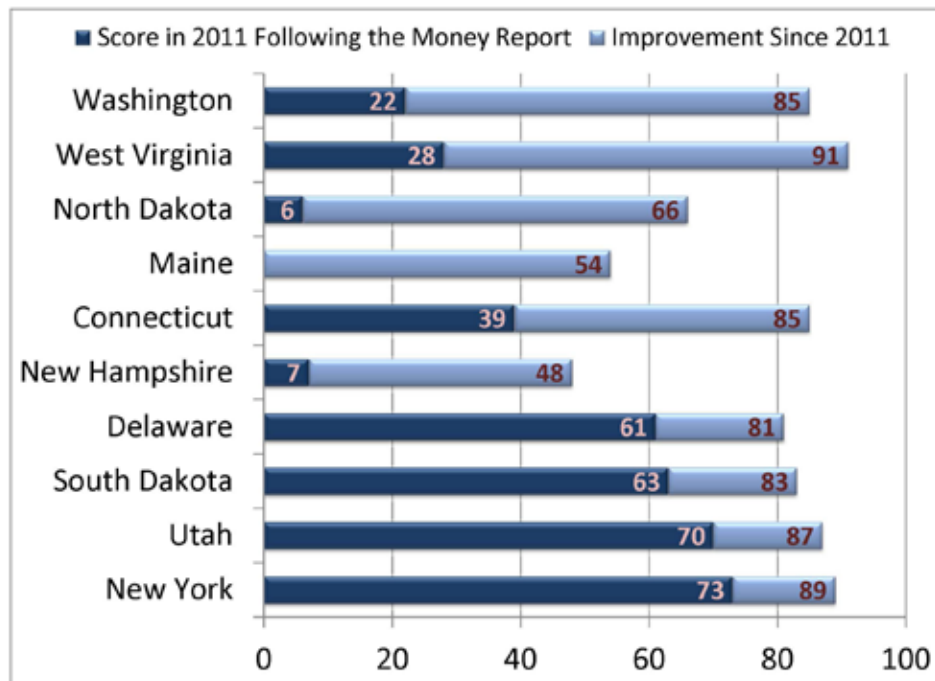
Note: although all these states made improvements to their websites, in some cases the increase in grade also reflects changes in the grading criteria. (See page 30.)

States Have Continued Progress Toward Transparency 2.0

Over the past year, eight states created new transparency websites and several others improved their transparency sites by consolidating important spending information, posting new datasets on government spending, or making the site more user-friendly.

Eight States Launch New Transparency Websites

Over the past year, Connecticut, Delaware, Maine, Massachusetts, Mississippi, New Mexico, North Dakota and West Virginia launched new transparency websites.

Connecticut Launches User-Friendly Website

In mid-2010, the Connecticut state legislature passed a bill to create their state's first ever transparency website, *transparency.CT.gov*.[27] The law, Public Act No. 10-155, passed with unanimous consent from both Democrats and Republicans in both the Senate and House.[28] Signed by the governor in June 2010, it instructed the Office of Fiscal Analysis to make state expenditures, including contracts and grants, available online by mid-2011.[29]

A year and a half after the passage of Public Act No. 10-155, the Office of Fiscal Analysis has created an intuitive and user-friendly transparency website. The layout is understandable to an ordinary Connecticut citizen—visitors do not need to be tech-savvy budget experts to navigate the site. The left side of the screen includes clear links for the various kinds of payments made by the state (e.g., "Contracts," "Grants," "Compensation") and the right side prompts users with simple search criteria (e.g., "2010" or "2011") to begin searching through Connecticut's expenditures and payments. (See Figure 3.)

The Office of Fiscal Analysis has been proficient in making the data searchable, one of the most important elements of Transparency 2.0. On *transparency.CT.gov*, the specific payments made to vendors can be found by searching for the vendor, the paying agency, the category of the good or service, the year or the amount.

Figure 3: Connecticut's Transparency Website is Understandable to the Ordinary Connecticut Citizen

In 2012, the Office of Fiscal Analysis should build on the momentum created by the site's launch and provide more detailed information on the goods and services purchased. Residents are currently in the dark over the specific nature of goods or services purchased because the website uses vague descriptions, such as "Client Services-General" and "Equipment Lease/Rental-Other" to describe the payments made to vendors. To provide greater transparency, the website should be upgraded to provide detailed descriptions and complete copies of contracts.

Delaware Gives Residents a One-Stop Place to Find State Spending Data

Over the past year, Delaware created a new site called *Transparency Resources*, and incorporated the state's pre-existing online checkbook into the new site. Delaware's pre-existing online checkbook gave visitors the ability to browse state payments to vendors from executive agencies, but it fell short of many other Transparency 2.0 benchmarks, leaving visitors unable to learn about local government spending, tax expenditures, economic incentives, and recovery spending.

Transparency Resources brings a new level of transparency to Delaware by providing expenditure data previously unavailable through the pre-existing online checkbook platform. *Transparency Resources'* inventory of datasets and tools catalogs many different aspects of state spending, and allows users to monitor and comment on government proceedings as well as research pertinent laws and legal issues.

Transparency Resources brings together information from many sources, giving residents a one-stop place to find public spending information. The online checkbook and state budget proposal come from

the Office of Management and Budget; the procurement data from Government Support Services; and county financial reports from county governments.

Maine Opens the State's Checkbook for Some Past Years

In the past year, Maine's Office of the State Comptroller took some initiative to open Maine's checkbook to the public. In prior years, information on Maine's spending was only available to registered vendors doing business with the state. Then in January 2012, the Comptroller's office compiled datasets and reports already in existence into a portion of their website built to share data with the public.

Although visitors can now view some state spending data, they are limited and difficult to access. The most recent vendor-specific data are from 2009, and all spending data can be accessed only by downloading an Excel spreadsheet. In 2012, Maine should make spending data more comprehensive by compiling and posting the vendor-specific expenditures from 2010, 2011 and 2012, and Maine should make the data more accessible by introducing search tools.

Massachusetts Expands Its Checkbook-Level Expenditures Available to the Public

In December 2011, Massachusetts Governor Deval Patrick, Treasurer Steve Grossman and Comptroller Martin Benison launched *Open Checkbook*, a comprehensive, easy-to-use online checkbook, and an addition to the new *Massachusetts Transparency* website. The *Open Checkbook* tool was in part a result of the legislature's passage of online transparency requirements included in the FY2011 state budget.[30]

Now, the *Massachusetts Transparency*

website provides timely and detailed state spending information to Massachusetts residents. The checkbook tool gives users the ability to monitor state spending in almost real-time because the data are updated nightly. Also, while residents last year could only monitor state spending through the limited procurement website, *Comm-PASS*, the new website gives users the ability to monitor and review spending from many different departments and agencies including the legislature, judiciary, governor's office, attorney general, treasurer, district attorney, sheriff and many agencies within the Department of Transportation. In addition, the Open Checkbook provides advanced tools to enable instant drill downs for more detailed information, allows for complex searches and sorts across the entire database, and offers a "hover over" feature that explains terminology, context and spending.

Massachusetts Transparency also posts Tax Expenditure Budgets dating back to 2000, allowing residents to monitor the government revenue lost through tax expenditures over time.

Mississippi Diversifies Its Online State Spending Data

Over the past year, Mississippi launched a new transparency website called *Transparency Mississippi*, operated by the Department of Finance and Administration. *Transparency Mississippi* incorporates the high level of detail on vendor payments (Mississippi is one of six states that provide copies of all contracts) previously available through *Merlin*—the website graded in last year's *Following the Money* report—into a user-friendly portal that includes a variety of other spending data.

For visitors, *Transparency Mississippi* is easy-to-use, intuitive and comprehensive. The self-explanatory icons link to interactive tools that prompt users to begin their

search. Users can browse through the state's spending, budget, leases and more.

One addition from last year is information on grants. Although the "Grants" tool lists only grants exchanged between government entities, the "Expenditure" tool lists the payments made to vendors through a variety of grant types—Forestry Resources Grants, Law Enforcement Assistance Grants, grants from the Department of Human Services, and others.

In the next year, the Department of Finance and Administration should improve the transparency website to make even more data available to Mississippi residents. Currently Mississippians cannot use the transparency portal as a tool to monitor and assess the effectiveness of tax breaks and other economic development incentives. To upgrade *Transparency Mississippi*, the Department of Finance and Administration should include reports on tax expenditures, which the state already produces, and reports on public benefits achieved as a result of development incentives.

New Mexico Makes Its New Website Accessible to the General Public

This past year, New Mexico launched a new transparency website called *Sunshine Portal* that is comprehensive and designed to be accessed by the public. *Sunshine Portal* is welcoming and user-friendly. Instructions on the main page explain the purpose of *Sunshine Portal* and prompt users to search through the government's finances. Most pages have a sidebar on the left that explains the page, provides a glossary for ambiguous terms, and offers helpful links.

When New Mexico's online transparency was assessed previously in *Following the Money 2011*, the state's "transparency"

website was a contract database that, although it had checkbook-level detail, was not designed to be accessed by the greater public to shed light on the state spending. For example, expenditure data were not searchable by purchasing agency. *Sunshine Portal* boosts New Mexico's online transparency by catering to the general public and making more spending information available.

A highlight of New Mexico's checkbook is that it is designed for both the average New Mexico citizen who wants to peruse government spending, and for the company, government official, or watchdog group searching for a specific payment. The average New Mexican can search by companies' names, government departments, or easy-to-understand categories (e.g., "animals," "Medical Services," and "Grants to Individuals"), while the company, government official or watchdog group can search by the identification numbers for the vendor, contract or purchase order.

Although *Sunshine Portal* makes information available on the state's payments to vendors through contracts and purchase orders, the site does not make available information on the state's spending through tax exemptions, credits and deductions. Making tax expenditure data accessible in New Mexico is important to the state's transparency efforts because the state's 300 tax expenditures cost the government $1.3 billion annually—7 percent of the state's budget.[31] Tax expenditure data are not available on *Sunshine Portal* in part because the government does not produce regular tax expenditure reports, one of only seven states that fail to do so.[32] However, in August 2011, New Mexico Governor Susana Martinez ordered a review of the state's tax incentives to produce the state's first tax expenditure report.[33] To empower citizens with the ability to monitor state

spending on tax expenditures, the executive branch should carry out the executive order in a timely manner and make the report accessible on *Sunshine Portal*.

North Dakota Opens the State's Checkbook

In 2009, North Dakota's Legislative Assembly passed a bill calling for the state's first-ever transparency website, and in March 2011, under the auspices of the Office of Management and Budget, the site went live.[34] The website brings an unprecedented level of transparency to North Dakota by posting the state's checkbook. However, the site has room for improvement because it still lacks several features common in Transparency 2.0.

The highlight of the website is its checkbook. Visitors can browse the payments made to vendors based on the vendor's name, purchasing agency or government account. The checkbook is updated monthly, and even though the site is new, the administrators have posted expenditure information back to July 2007.[35]

Beyond the website's checkbook, the site lacks many other Transparency 2.0 features, giving North Dakota residents a limited view of government spending. Visitors are in the dark on the funds spent on tax expenditures, the effectiveness of economic development subsidies, and funds spent at the city and county level. Over the next year, North Dakota should build on the momentum created by the site's launch and expand its transparency site to enable residents to view all aspects of government spending.

West Virginia Becomes a Leader in Transparency 2.0

In August 2011, the State Auditor's office launched *TransparencyWV*, a new site designed to educate the public about the government's revenue, budget, and spending.

(See Figure 4.) *TransparencyWV* brings a new level of transparency to government finances and has pushed West Virginia to become a leader in Transparency 2.0. *TransparencyWV* allows residents to browse the payments West Virginia has given to vendors, research some quasi-public agencies, and track the state's use of federal economic recovery funds.

Before the launch of *TransparencyWV*, West Virginians had to rely on the Department of Administration's Purchasing Division site for information on state spending. The goal of the Purchasing Division's site was to connect state agencies with companies that would supply them with goods or services for a predetermined price, not to shine a light on state spending. For example, if a school district needed to rent a van for a field trip, they would use the Purchasing Division's site to determine that they could rent a 12-passenger van from Hertz for $74 per day.[36] The site did not give West Virginia residents checkbook-level details over the payments made to vendors, but rather the cost of certain goods and services a state agency could purchase with prior approval.

A notable feature of *TransparencyWV* is the detailed information it contains on economic development incentives. The site links to the state's *Tax Credit Review and Accountability Reports*, which provide details on manufacturing, research and other credits. For example, residents can learn that from 2003 to 2006, 272 tax-filing entities claimed the Manufacturing Investment Tax Credit, designed to build new industries and expand and revitalize existing ones, which cost the state $2.4 million and, according to the state, created 2,000 new jobs.[37] Although the data contained within the *Tax Credit Review and Accountability Reports* allow citizens to view these state tallies about entire tax

Figure 4: West Virginia Becomes a Leader in Transparency 2.0 with New Website[38]
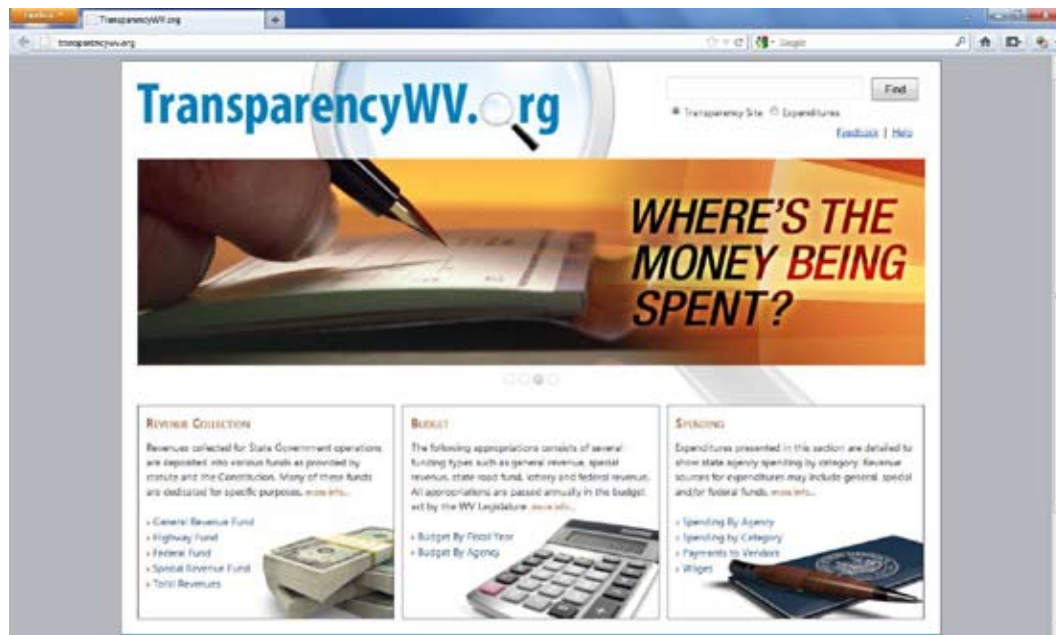
credit programs, they do not yet provide citizens with the ability to scrutinize claims on job creation or other benefits for specific companies receiving tax credits. The next iteration of the report should provide company-specific information—the subsidy amount, intended number of jobs created, and actual number of jobs created—so citizens can better evaluate the effectiveness of companies using the incentives to grow the economy.

Despite the greater level of transparency the website brings to West Virginia's spending, state officials should further open the state's checkbook to the public by posting contracts for all goods and services purchased. Currently, the website does not provide a detailed description of the goods and services purchased, and as long as this information remains unavailable, citizens will be unable to assess whether a certain procured good or service is worth the cost.

Several States Made Improvements and Additions to Their Existing Websites

Several states have made sizable improvements to their websites in 2011. Some states—such as Michigan, New Hampshire, and Washington—created new tools to open the books on different aspects of state spending. Other states—such as Illinois, Nebraska, New York and Utah—have improved their websites by consolidating important spending information from different state agency websites.

Michigan Provides Details on Economic Development Incentives

In the past year, Michigan linked an interactive map tool to its transparency website to allow users to monitor economic development incentives. During Governor

Figure 5: Michigan Tracks Economic Development Incentives with Interactive Map[46]
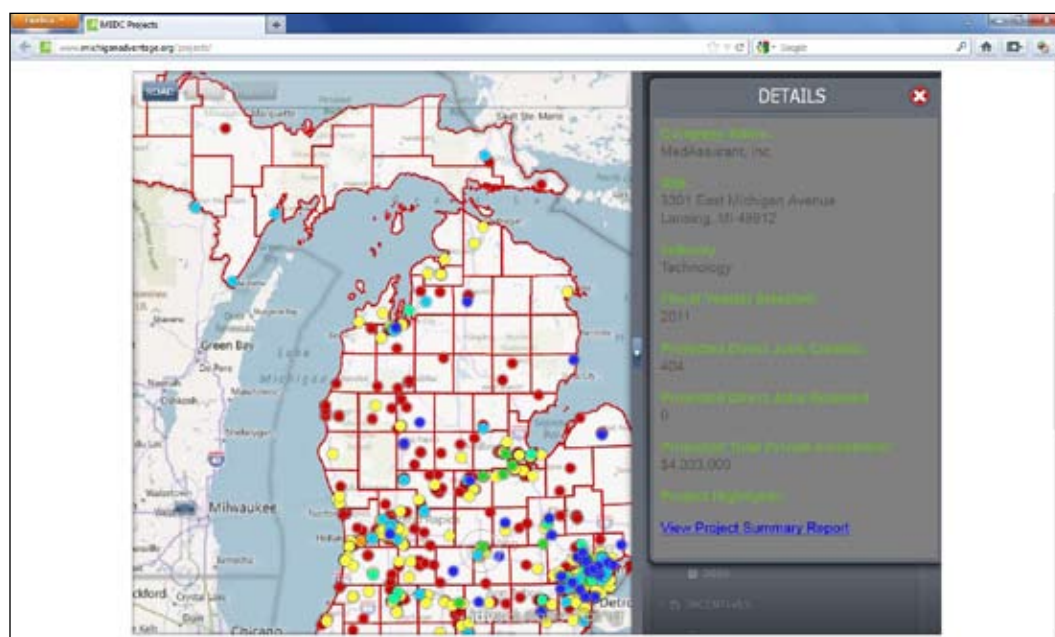
Jennifer Granholm's administration, the state awarded more than $3.5 billion in subsidies to 508 companies.[43] Many of these were specifically targeted to grow the economy and create jobs. For example, in 2006, Michigan gave Ford Motor Company $151 million in tax credits to invest in various facilities across the state.[44] However, up until recently, taxpayers lacked the tools to determine which companies received the funds, the value of the subsidies, and the intended results from individual investments. In 2011, state officials boosted transparency by linking Michigan's transparency site to an interactive map that tracks economic development incentives. (See Figure 5.) Residents can now learn which government-funded projects are in their county, how specific companies will spend the funds, and the estimated number of jobs intended to be created. The mapping tool makes it easy to see where these projects are located around the state.[45]

Despite these many beneficial features, the map can and should still be improved. In order to enable residents to assess the actual effectiveness of the incentives in growing the economy, the tool should be upgraded to disclose the number of actual jobs produced from particular projects. The data available throughout the website should also be made downloadable.

New Hampshire Opens the State's Checkbook

In the past year, New Hampshire unveiled the state's checkbook on its transparency website, *TransparencyNH*. The checkbook tool—called the *State Expenditure Register*—enables users to view the payments to vendors from 53 departments, agencies, universities and other government entities dating back to July 2008.[47] The checkbook is updated monthly, giving residents, watchdog groups and government officials the ability to monitor state spending in a

Fading Sunshine in the Golden State
California Takes a Big Step Backwards from Transparency 2.0

By Pedro Morillas, CALPIRG Education Fund

California has consistently been a little behind the curve when it comes to making its spending data available and accessible online. Between 2009 and 2011 California had a transparency website, called *Reporting Transparency in Government*,that was a central searchable location for much of the state's spending information. It wasn't highly user-friendly and there were major gaps in the information available, but it stood as a foundation that could be built upon.
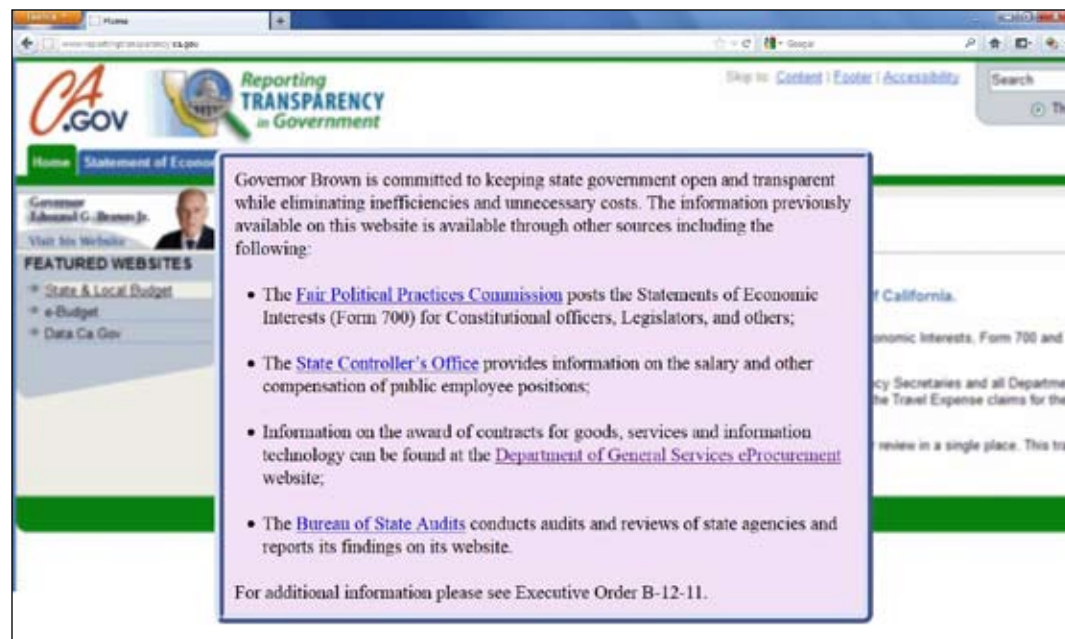
Unfortunately, in November 2011, Governor Jerry Brown shut down the site, effectively up-rooting California's transparency efforts.[39] The practical effect of taking down the site is that California's spending picture is more obscured. The reason offered by Brown's administration for removing the site was that they wanted users to go to the primary sources of the information.[40] This is a little bit like saying that people ought to use the internet without Google or other search engines. While state spending information may technically still be available online or by request under California's Open Records Act, it is not truly accessible because the data are once again scattered across multiple agency websites, each with different formats and locations for the information, or require an official records request.[41] (See Figure 6.)

The downgrade is problematic for a couple of reasons. First, the public's interest in the state budget and how public dollars are spent increases with every program cut and with ongoing state deficits. Making it more difficult to follow the money at a time when demand to see the state's checkbook is rising further undermines the public's faith in government. Second, despite saving $21,000 a year by dismantling the transparency site, this move could end up costing the state more money.[42] From fewer requests for information to added scrutiny of potentially wasteful spending, transparency websites can result in significant savings. (See Section "Transparency 2.0 Makes Government More Effective and Accountable" on page 12.)

California is home to the tech giants of the world—Google, Facebook, Twitter, and dozens of other technology companies that are leading the way when it comes to searching for and finding information online. When Californians can summon a satellite image of the capitol building from a cell phone in a matter of seconds, it is reasonable to expect that they should also be able to see what's happening inside the building just as easily. It is disappointing and embarrassing that Sacramento is not only lagging behind, but actively moving in the opposite direction when it comes to keeping pace with current standards.

The obvious first step to improve the transparency of California's budget spending is to restore the transparency website. Without a central location for the data, the state simply lacks the digital infrastructure to build upon. Once California retraces its steps, transparency should be improved by making data available on economic development incentives and revenue lost from tax expenditures.

Figure 6: California's Expenditure Data Is Now Scattered Across Multiple Agency Websites

timely manner.[48] While the checkbook is comprehensive, website administrators still need to make it more accessible to users. Visitors on the website find it difficult to navigate the checkbook and find specific payments because the tool currently lacks any search functions.

Washington Overcomes Barriers and Opens the State's Checkbook

In 2008, the Washington state legislature passed Senate Bill 6818, which mandated that the Legislative Evaluation and Accountability Program (LEAP) Committee and the Office of Financial Management (OFM) create a transparency website with state expenditure, revenue and budget information.[49] Soon after, the site went live—but it lacked checkbook-level expenditure data, and although the site posted an icon linking to the state's checkbook, the link was inactive. Then, in January 2012, the checkbook went live, bringing

an unprecedented level of transparency to Washington's spending.

The LEAP Committee and OFM had intended to put the checkbook-level data online for more than a year. However the raw, vendor-specific data could not be posted online because it contained information deemed private under the Health Insurance Portability and Accountability Act (HIPAA) and the Family Educational Rights and Privacy Act (FERPA). To make the checkbook feature live, the website officials first needed to develop a system to remove the private HIPAA and FERPA data—a process that was not completed for more than a year.[50]

The checkbook-level feature is easy to use and its data are downloadable, but the information provided is limited. Visitors can browse expenditure information by the name of the vendor, type of good or service, or purchasing agency. They can

then download the expenditure information into a variety of data processing files. However, as of our evaluation of the site, it does not provide details on the goods and services purchased through vendor payments or provide copies of the contracts that would enable Washington residents to determine whether the purchase was necessary or worth the cost. In addition, the disclosed data do not include expenditures prior to December 2011, preventing visitors from monitoring whether some companies are historically favored over others and whether the state is paying a comparably higher amount for the goods and services purchased in a certain year.

Illinois, Nebraska, New York and Utah Add Online Tax Expenditure Data

Many states improved their transparency websites by posting information on tax expenditures. Tax expenditures—in the form of tax exemptions, credits, deferrals and preferences—affect state budgets in the same way as direct spending because they must be offset by cuts to other programs or by raising other taxes. Every year, states spend tens of billions of dollars on these expenditures; however these costs often escape oversight because they do not appear as state budget line items and rarely require legislative approval to renew.[51]

Over the past year, many states have linked transparency sites to their tax expenditure reports, which include detailed lists of the state's forgone revenue from each program or policy granting tax credits, deductions and exemptions.

Although some states' tax expenditure reports have existed for several years,

updating their transparency sites to make the reports available has made the information far more accessible to the general public.

- **Illinois Tax Expenditure Report** provides details on the state's 238 tax breaks, totaling approximately $6.6 billion in lost revenue.[52]

- **Nebraska's Tax Expenditure Reports** allow residents to browse details on the revenue lost from sales, income (both personal and corporate), and property tax expenditures dating back to 2000.

- **New York's Annual Report on State Tax Expenditures** posts detailed information on breaks in income taxes, bank taxes, sales taxes, petroleum taxes, real estate taxes and many others, dating back to 2003.

- Although the **Utah Tax Commission's Annual Report** is primarily a municipal listing of tax revenue, it also includes data on sales tax exemptions for economic development, economic efficiency, governmental, social service, health and charitable purposes.

To provide the greatest use to the public, tax expenditure reports should include the cost of each tax expenditure program, be posted annually with data for several years, and include the stated purpose of each expenditure program. Although the tax expenditure reports of Illinois, Nebraska, New York, and Utah fulfill most of these standards, they all fail to explain the purpose of each expenditure program, leaving citizens unable to assess the importance or performance of programs relative to their cost.

Making the Grade: Scoring States' Progress Toward Transparency 2.0

Each state's transparency website was analyzed and assigned a grade based on its searchability and the breadth of information provided. (See Appendix A for the complete scorecard, and Appendix B for a full explanation of the methodology and explanations of how the scoring system was applied to each state's specific website.) An initial inventory of each state's website and a set of questions were first sent to the administrative offices believed to be responsible for operating each state's website. (For a list of questions sent to state officials, see Appendix C.) Follow up e-mails, and—if necessary—phone calls were made to these offices, and notices were sent to the governor's office in each state. Officials from 47 states responded with substantive information, clarifying or confirming information about their websites. In some cases, our research team adjusted scores based on this clarifying feedback. Only Idaho, Wisconsin and Vermont did not respond to our inquiries.

Government transparency does not follow any regional or partisan pattern. As was the case in 2010 and 2011, higher levels of transparency are not a characteristic of either Democratic- or Republican-leaning states. The average score for a Democratic-leaning state (determined by political party of the current governor) was 70.2, while that of a Republican-leaning state was 68.9, a difference of less than two points. Among the seven states that scored an "A" or "A-", 3 have Democratic governors and four have Republican governors. Among the five states that received an "F," two have Democratic governors and three have Republican governors. In fact, no clear pattern of Republican or Democratic superiority in Transparency 2.0 is apparent regardless of how the political leanings of a state are measured. Comparing states by the party of their U.S. Senators, the party controlling the state legislature or the last presidential vote similarly all yield nearly identical average transparency scores.[53]

Based on the grades assigned to each website, states can be broken into five categories: Leading states, Advancing states, Emerging states, Lagging states and Failing states. (See Table 2 and Figure 7.)

The following sections summarize common traits shared by the states in each of these categories to highlight their strengths and weaknesses.

Table 2: Leading, Advancing, Emerging, Lagging and Failing States

Category	Grade	States
Leading states	A	Kentucky, Texas
	A-	Arizona, Indiana, Louisiana, Massachusetts, West Virginia
Advancing states	B+	New York, North Carolina, Oregon, Utah
	B	Connecticut, Michigan, Nebraska, South Dakota, Washington
	B-	Delaware, Illinois, Mississippi, Pennsylvania, Virginia
Emerging states	C+	Alabama, Georgia, Maryland, Minnesota, New Jersey, New Mexico, Oklahoma
	C	Hawaii, Missouri, Nevada
	C-	Colorado, Kansas, North Dakota, South Carolina
Lagging states	D+	No state received a D+
	D	Florida, Ohio
	D-	Alaska, California, Maine, New Hampshire, Rhode Island, Tennessee, Vermont, Wisconsin
Failing states	F	Arkansas, Idaho, Iowa, Montana, Wyoming

Figure 7: How the 50 States Rank in Providing Online Access to Government Spending Data
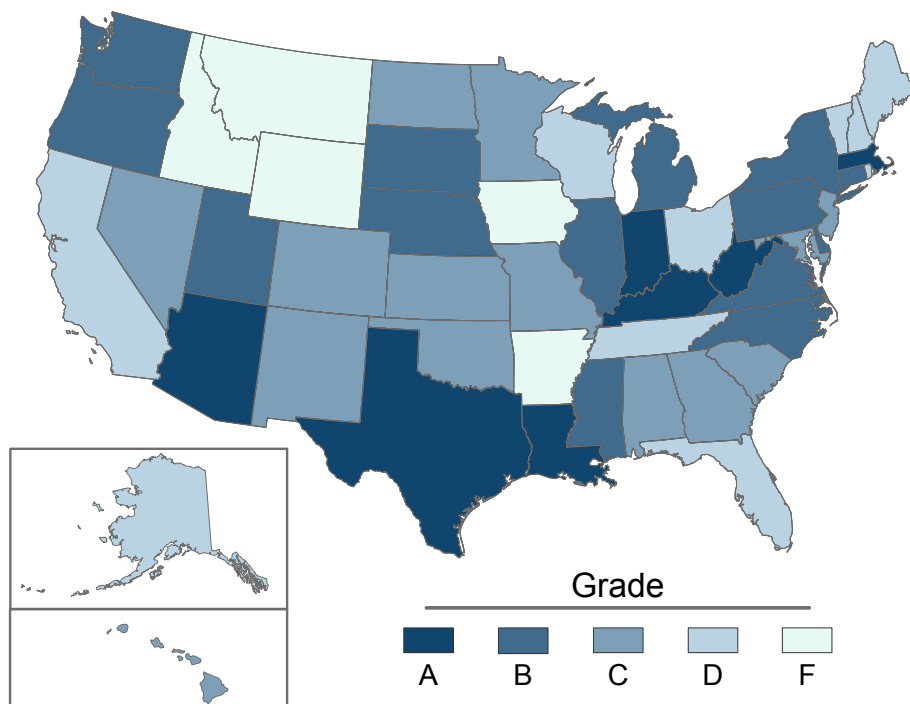
Changes to the Grading Criteria from 2011

Reflecting rising standards for government transparency, the grading criteria changed slightly from the 2011 *Following the Money* report, resulting in changes in grades for some websites whose content has not changed since 2011.[54] For example, Kansas' score fell from a 73 to a 68 due to more rigorous scoring criteria and no significant improvements on the state's transparency website in the past year. By contrast, although North Carolina made no improvements to their website, the state's grade improved slightly from 85 to 87 because the site already included criteria newly assessed this year. Changes in the criteria were:

- The searchability criteria ("Search by Vendor," "Search by Keyword or Activity" and "Search by Agency or Department") were tightened so that points were no longer awarded unless this searchability applied to checkbook-level spending. Points were no longer awarded if a database of pre-purchase orders was searchable. (Pre-purchase orders are contracts between the government and a vendor that establish a pre-negotiated price for a good or service. Pre-purchase orders allow citizens to monitor whether or not a government department is overpaying for a certain good or service. However, pre-purchase orders are not checkbook-level because they do not allow citizens to learn how much the government paid the vendor.)

- "Search by Agency or Department" was added as a criterion to reflect how the ability for users to find payments made to vendors by searching by the payer increases functionality.

- The "Contract or Summary Information Available" criterion was tightened so that full credit is only awarded for providing copies of all contracts, as opposed to providing copies of all pre-purchase orders. Also, states can no longer receive partial credit for having a vague description of the general category of good or service purchased (partial credit is still awarded for having a detailed description).

Leading "A" States

These seven states have established user-friendly transparency portals that contain comprehensive information on government expenditures. In a testament to the rapidly advancing standards for online transparency, almost all of this year's Leading state sites would have been the top scorer only two years ago. Citizens

Table 3: Leading "A" States

State	Grade
Texas	98
Kentucky	96
Indiana	93
Louisiana	92
Massachusetts	92
West Virginia	91
Arizona	90

- The "Historical Expenditures" criterion was altered so that one point is now awarded for listing payments made to vendors for each prior fiscal year in order to award states different amounts of credit depending on the number of years they posted expenditures.

- The "Economic Development Incentives and Grants" criterion was fine-tuned. Due to the large amount of payments made through grants and economic development subsidies, points are awarded if these expenditures are searchable. Partial credit was given for listing only grants that are intergovernmental transfers between agencies while full credit was granted if subsidies to private or nonprofit recipients are also included.

- The definition of "Downloadable" was made more stringent and fine-tuned to differentiate between different levels of accessibility. To receive full credit, lists of vendors and their individual payments made by the state must be downloadable. Credit is no longer given merely for providing other downloadable information such as total department spending or details for a specific payment. Moreover, an additional point is now given if the ability to download data extends to grants and economic development incentives rather than only contracts.

- A new criterion for "Off-Budget Agencies" replaced an earlier criterion that recognized states that provide spending data on quasi-public agencies. Since an increasing amount of "off-budget" activity takes place through public-private partnerships, credit was also given for including information about user fees collected from public-private partnerships or detailing spending at public-private partnerships.

  For a detailed description of the scoring system, see Appendix B.

and watchdog groups can use these sites to monitor government spending quickly and easily. All of the sites are searchable by the vendor's name, type of good or service purchased, and the purchasing agency or department. Six of the sites provide expenditure data dating back at least five years. All Leading states provide details on grants and/or economic development incentives, with the top four states (Indiana, Kentucky, Louisiana and Texas) providing details on specific public benefits intended to be produced, such as number of jobs. The top three Leading states (Indiana, Kentucky and Texas) provide all copies of contracts for the goods or services purchased, while the bottom four provide some level of detailed description.

Over the past year, two states—Massachusetts and West Virginia—created new websites to join the ranks of "A" level states. Massachusetts' new checkbook tool is comprehensive (including expenditures

The Race for the Very Top: Texas Edges Out Kentucky

For the past two years, Kentucky has held or shared the very top position for online transparency in the *Following the Money* report. In 2010, Kentucky had an unparalleled level of transparency, with no other state reaching an "A." In 2011, many states improved their websites to challenge the comprehensiveness and user-friendliness of Kentucky's, but the Bluegrass State also improved and managed to tie for the top position along with Texas. This year Kentucky again improved its site by adding some historical expenditures, but Texas' site was more comprehensive and garnered 98 points, surpassing Kentucky's 96 points to become the leader in spending transparency. According to the criteria used in this report, the two sites are identical with just one exception: Texas' checkbook is downloadable, while Kentucky's is not. Congratulations to Texas.

for all budget-funded agencies, independent agencies, the judiciary, the legislature and many other branches of government), searchable (by vendor, department, keyword, account, year and other queries), and user-friendly (includes a comprehensive glossary of terms). (See page 20.) West Virginia's new website allows residents to browse the payments West Virginia has given to vendors, research some quasi-public agencies, and track the state's federal economic recovery funds. (See page 22.)

Among the most distinctive features of the Leading states' transparency websites is the ability to compare state expenditures over time. By providing data for multiple years, these sites allow visitors to monitor whether some companies are historically favored over others and whether the state is paying an appropriate amount for the goods and services purchased in a certain year as compared to others. All Leading states have expenditure information from Fiscal Year 2012, and all states except Arizona post information on the payments made to vendors dating back at least five

years (Arizona posts payment information dating back three years). Texas, the national leader, posts spending information dating back to 2002.

Another feature of these sites is their ease of use. All sites are searchable by vendor, keyword or category, and by purchasing department or agency. Indiana's site allows visitors to specify the types of payments made to vendors (e.g., "Grant," "Lease," "Professional/Personal Services," "Contracts or procured service") in addition to the typical search box for keywords. Louisiana's site has separate search sections for contracts, grants and economic development incentives.

Even though these states have the best Transparency 2.0 practices, they still have room to improve. While many of these states post the number of jobs projected to be created or other intended benefits of economic development awards, not a single Leading State posts the number of jobs or other benefits actually created. Without this information on subsidy spending, taxpayers and their representatives cannot

hold companies accountable, let alone re-capture funds when promises aren't kept. Likewise, only two of the Leading states post the purpose of individual tax expenditure programs. By failing to describe the rationale for this indirect spending through the tax code, taxpayers and their representatives cannot assess whether the public benefits of tax expenditures justify continuing to shift the revenue burden onto other taxpayers or reducing services. If other taxpayers must pick up the tab for these programs, they should at least know the purpose.

Advancing "B" States

Table 4: Advancing "B" States

State	Grade
New York	89
North Carolina	87
Oregon	87
Utah	87
Connecticut	85
Washington	85
Michigan	83
Nebraska	83
South Dakota	83
Pennsylvania	82
Delaware	81
Illinois	81
Virginia	81
Mississippi	80

Fourteen states have established websites that are user-friendly, but lack the breadth of information characteristic of the Leading states. The Advancing states' websites are all searchable using many criteria, including the vendor's name, the type of good or service purchased, and the purchasing agency or department. However, nine of these states provide only partial detail on the specific goods or services purchased, while two states provide no detail at all. Only three states follow the best practice of providing copies of all contracts. Similarly, eight Advancing states do not provide descriptions of grants and economic development incentives administered by the state.

Over the past year, ten states improved their sites to enter the "B" range of Advancing states. In fact, with the exception of Virginia, which moved from a "C+" to a "B-" due to this year's modified grading criteria, every Advancing State noticeably improved its website in the past year: Washington upgraded its website to incorporate checkbook-level data; Delaware, Illinois, Nebraska, New York and Utah posted tax expenditure reports; Michigan, Mississippi and Oregon posted new information on economic development incentives and grants; and the other states made improvements that increased the comprehensiveness or user-friendliness of their sites.

Emerging "C" States

This year, 14 states are Emerging in Transparency 2.0 with "C" grades. These states' websites all achieve some degree of checkbook-level disclosure and, for the most part, are easily searchable; but they are far less comprehensive, both in terms of checkbook detail and other Transparency 2.0 features, than those of Leading or Advancing states.

All Emerging states' online checkbooks are searchable by both the vendor name and the purchasing agency or department, while most (11) are searchable by the type of good or service purchased. However,

Table 5: Emerging "C" States

State	Grade
Georgia	79
Alabama	78
Minnesota	78
New Jersey	78
Oklahoma	78
Maryland	75
New Mexico	75
Hawaii	73
Missouri	72.5
Nevada	70
Colorado	69
Kansas	68
South Carolina	66.5
North Dakota	66

fewer than half of Emerging states' checkbooks provide any level of detail on the goods or services purchased, and fewer than half contain grant expenditures that are downloadable. Also, most Emerging states provide no access to any information on local government spending and little information on spending through the tax code because tax expenditure reports tend either to be inaccessible or are limited in the variety of taxes covered.

In the past year, New Mexico and North Dakota both launched new websites with searchable online checkbooks to become Emerging states in Transparency 2.0. Both websites are checkbook-level and searchable. New Mexico expanded on the information available in its contract database and created a website designed to be accessed by the broad public, as opposed to only contractors. North Dakota launched its first-ever transparency website in March 2011.

Many Emerging states' websites that had improved in previous years stagnated last year, leaving many flaws that still limit the comprehensiveness to users. In the next year, Emerging states should expand the details on payments made to vendors, link to copies (both current and historical) of the states' tax expenditure reports, and provide spending information for city and county governments.

Lagging "D" States

Table 6: Lagging "D" States

State	Grade
Florida	59
Ohio	55
Maine	54
Tennessee	51
Vermont	51
Wisconsin	50
Alaska	49
California	49
Rhode Island	49
New Hampshire	48

Ten states are Lagging because their online checkbooks are difficult to use and their sites lack many Transparency 2.0 features. Of these, only Florida and Rhode Island are easily searchable by vendor, no state is easily searchable by the kind of good or service purchased, and only Florida and Tennessee are searchable by the purchasing department or agency. Beyond the difficulty of accessing the checkbook, few Lagging states provide spending details for off-budget agencies, post information on the state revenue forgone through tax code spending, or link to city and county expenditure sites.

States that downgraded their websites or failed to make improvements to meet rising standards earned lower grades from 2011 to 2012.

While many states have improved their scores since the 2011 *Following the Money* report, some states' scores have fallen. These states removed important features, dismantled their websites, or failed to add the features assessed this year which are now common on other websites. (For a list of changes made to this year's grading criteria, see page 30.)

- California—which dropped 13 points from last year—shut down its transparency website, leaving state spending information scattered across multiple agencies' websites. (See page 25.)

- Ohio—which dropped 27 points, the most of any state—both failed to make searchable the checkbook portion of the website and removed the link to the state's Recovery Act spending website.

- Rhode Island—which dropped 17 points—failed to make its checkbook searchable by the purchasing department or agency, a criterion added this year.

- Wisconsin—which dropped 11 points—did not make the transparency site, *Contract Sunshine*, searchable by Transparency 2.0 standards. Whereas last year, Wisconsin received full credit for searchability because contracts could be sorted by the first letter of the vendor name and type of item/service purchased, this year Wisconsin received only partial credit. Wisconsin also failed to make the transparency website mandated by the 2011 budget checkbook-level.[55]

Despite Lagging states' inadequacies, in the past year both Maine and New Hampshire made improvements to their online transparency to move out of the Failing category. Whereas in previous years Maine had only a procurement site that restricted access to vendors, this year the Comptroller's office compiled datasets and reports into a portion of their website built to share data with the public. Meanwhile, New Hampshire created a tool to make its transparency website checkbook-level.

In the past year, two other states were downgraded to Lagging. Two years ago, Ohio was the second-highest scoring state in the nation for spending transparency. But, in addition to failing to innovate at the pace of their peers, Ohio removed expenditure information from the state's American Recovery and Reinvestment Act funds, losing an additional two points. Although Rhode Island did not take down any important datasets, it similarly failed to improve the searchability of the payments the state makes to vendors and slipped backwards in the rankings amid improving standards.

Failing "F" States

Table 7: Failing "F" States

State	Grade
Wyoming	44
Iowa	19
Arkansas	8
Montana	7
Idaho	6

Five states are Failing in online transparency and have taken only small steps toward improving government accountability. Most Failing states have not posted their checkbook online or provided other important information that allows residents to monitor state spending. The spending information online is either inaccessible or only nominally improves the transparency of the state's spending.

On Wyoming's website, the state's checkbook is only searchable by vendor. Unless a visitor already knows the name of the vendor they are looking for, they will be unable to browse through payments. Wyoming's website also lacks information on historical expenditures, local spending, grants or economic development subsidies. Wyoming is a cut above the others in this category, but nonetheless garners an "F."

The other Failing states—Arkansas, Montana, Idaho, and Iowa—have transparency portals or other spending information sites that are not checkbook-level and provide limited or superficial information about government expenditures. Aside from Iowa's data on tax expenditures and economic development grants, these states have little information beyond copies of pre-purchase orders that allow citizens to monitor whether or not a government department would be overpaying for a certain good or service if they purchased this way.

States Innovate with New Cutting-Edge Transparency Features

Some states are pushing the envelope by innovating new spending transparency features. They have developed new tools and posted new sets of information on government expenditures, giving residents new ability to monitor and influence how their government allocates resources.

- **Performance trackers:** Some states now provide detailed performance evaluations of government agencies and private contractors. This information enhances citizens' ability to assess the value produced by public spending and to hold contractors accountable for their performance. Louisiana's Performance Accountability System lists specific agencies' yearly objectives, such as to "increase the annual number of visitors served by the state park system to at least 2,500,000 by the end of fiscal year 2012-2013," along with their actual performance by these metrics.[56] The site also allows visitors to compare an agency's performance on a particular objective with how it performed the previous year. Illinois similarly publishes annual reports for businesses receiving state development funds that detail the number of jobs proposed to be created and the number of jobs actually created.[57]

- **Mapping Tools:** Washington allows the public to see how specific areas of the state benefit from government spending by providing an interactive mapping tool with the exact locations of state-funded construction projects.[58] (See Figure 8.) Despite the new level of transparency the map tool brings to Washington, this feature should be finished to include a detailed description of each project (many of the "Descriptions" currently read "Description unavailable at this time"). Michigan's website also has an interactive map that illustrates the location of economic development projects throughout the state.[59] The map tool allows visitors to view many details about the projects, including their cost and the projected number of jobs to be created. Other states that follow Washington and Michigan's

Figure 8: Washington Tracks Capital Projects with an Interactive Map[60]

lead in providing geographically based expenditure information should not limit the maps to capital construction or economic development projects, but rather include many other forms of state spending.

- **Statement of checkbook's comprehensiveness:** While many states post only portions of their spending online, users have little way to know which transactions are not included in the spending data. For example, according to a study from the University of North Carolina, Charlotte that catalogs the proportion of state spending included on nine transparency websites, Connecticut's transparency website details only $4.3 billion in direct spending—or 22 percent—of the state's $19.5 billion budget. The website does not make clear the breakdown of the other 78 percent of spending that is not disclosed: whether it represents contracts missing from

the website, transfers to local or federal government, or non-contracted payments such as salaries, pensions or interest.[61] In other words, citizens in most states have little way to know whether their state's transparency website includes a complete record of all the expenditures that are supposed to be disclosed.

To increase transparency, states should provide inventories of the data included—and explicitly excluded—in their online checkbooks. Posting information on the comprehensiveness of the checkbook tool gives a clear picture of the proportion of state vendor contracts included on the website. Massachusetts' website, for example, displays which state data are and are not included as well as the state's plans to add information in future phases.[62] (See Figure 9.)

- **Integration with local government transparency:** Providing access to city

Figure 9: Massachusetts Displays Comprehensiveness of Online Checkbook[63]
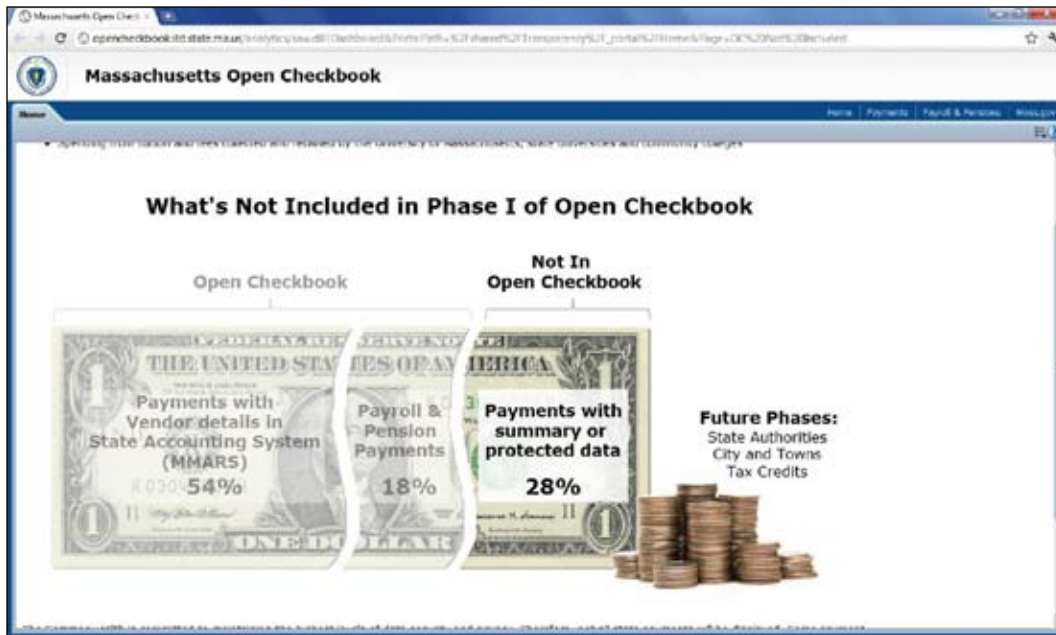
Figure 10: Utah's Checkbook Tool Includes City, County, and State Information[64]

and county financial data through state transparency websites allows citizens to keep a close eye on spending for the level of government closest to home. While this report already recognizes some states for posting links to local government budget websites, the local information is rarely vendor-specific. Utah has made its town, city and county spending data checkbook-level by incorporating this local spending information into the state's checkbook tool. (See Figure 10.) This spending tool makes the site more user-friendly, by providing a one-stop site for spending information on all levels of government, and more comprehensive, by providing a format so that local spending data can be more easily made available at the checkbook-level.

States Should Encourage Municipalities to Adopt Transparency 2.0 Standards

Transparency and accountability is important in fostering good government at all levels. Unlike state governments, most local governments have yet to adopt many important online transparency measures. This is a missed opportunity. Local governments face logistical challenges because they are smaller than states, but together they allocate a larger number of public dollars. According to the most recent U.S. Census survey of governments, local government bodies (which includes county, municipal, and township governments as well as "special districts" and school districts) made direct expenditures totaling nearly $1.5 trillion in 2007.[65] This amount exceeds state governments' direct expenditures, which totaled $963 billion.[66] Local governments' sizable expenditures highlight the need for municipalities to follow the example many states have set in their pursuit of improved transparency.

In order to shine the light on local government spending, states should encourage jurisdictions within their borders to prioritize online transparency measures. States can encourage local transparency in a number of ways, such as by providing financial incentives, establishing a comprehensive transparency model for states to emulate, and acknowledging local progress toward improved transparency.

Some states are already taking the initiative to improve local government transparency. For example, Michigan encourages local governments to improve transparency in order to be eligible for grants from the state's Economic Vitality Incentive Program (EVIP).[67] Among the requirements, local governments must create and make accessible two documents: a "Citizens' Guide," which contains data and graphs on key financial statistics, including unfunded liabilities (such as undercapitalized pension programs), and a "dashboard," which details the municipality's current financial health by reporting data on "fiscal stability, economic strength, public safety, [and] quality of life."[68]

Texas encourages its counties, cities and school districts to provide online access to their annual budget, financial report and check register through the "Texas Comptroller Leadership Circle" program.[69] The program grades local governments on their spending transparency and awards gold, silver and bronze medals to municipalities that meet certain criteria.[70] The Comptroller's website also includes a "Monthly Transparency Spotlight" page, which praises local governments for increased transparency.[71] While many municipalities would receive an "F" by the standards used in this report, some cities meet many Transparency 2.0 standards. Austin, for example, has an "e-checkbook" that provides visitors with detailed expenditure data searchable by vendor, category and department for 2010, 2011 and 2012.[72]

State Officials Face Obstacles and Challenges in Operating Transparency 2.0 Websites

Officials in each of the 50 states were asked by the researchers of this report to describe the challenges and obstacles they face in enhancing their state's online transparency. State officials identified a number of factors that impede increased transparency, including a lack of standardized data formats across agencies, outdated information systems, financial constraints, and confidentiality concerns.

Some of the most common obstacles that state officials identified were related to a lack of centralized and standardized data formats. In many states where government departments use different accounting and data systems, merging information from different systems or developing a standard level of disclosure have posed difficulties. Arizona, Connecticut, Georgia, Indiana, Minnesota, Mississippi, New Jersey, North Carolina, Oregon, Utah and West Virginia all cited various record-keeping standards as a challenge.[73] Officials in Utah—a state ambitious about integrating data from local government and quasi-public agencies—overcame this challenge by reformatting spending information from over 400 government entities.[74]
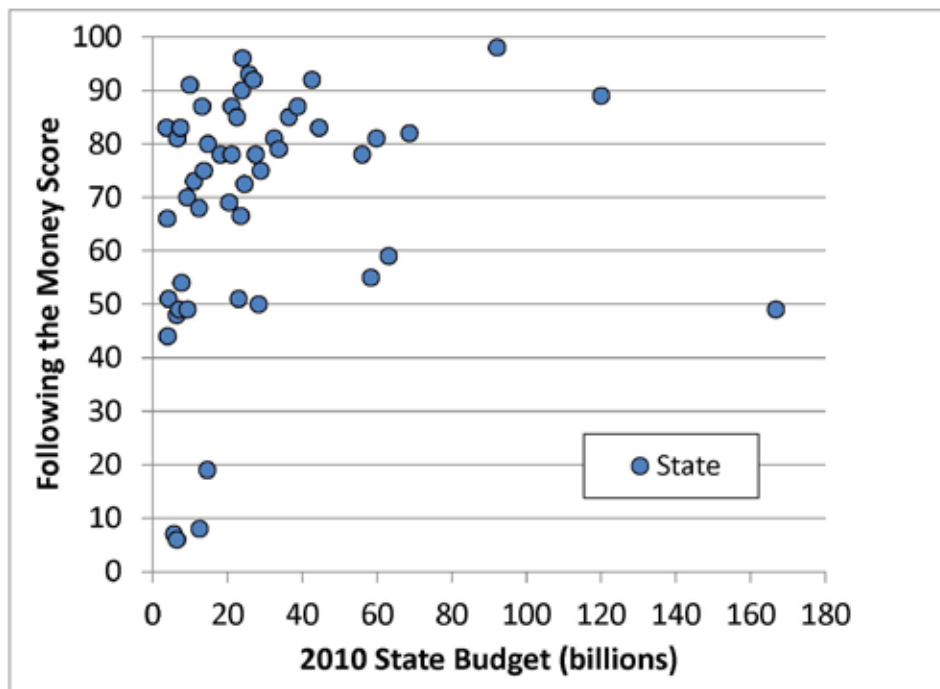
Similarly, Oregon officials overcame this challenge by manually entering spending information from many of the state's 19 education service districts, 36 counties, and more than 80 state agencies.[75] These solutions, while making Utah and Oregon's websites checkbook-level, are labor-intensive and would be unnecessary if Oregon and Utah were to standardize data formats among state agencies, counties, and other government entities. In North Carolina, for example, Governor Bev Perdue issued an executive order, currently under review by the General Assembly, mandating that several state departments merge into a new Department of Management and Administration.[76]

Similarly, many states' transparency websites are constrained by outdated information systems. Arizona, New Jersey and Virginia all cited antiquated information technology or accounting systems as challenges to greater online transparency.[77] Despite using older systems, all three of these states have found a way to provide checkbook-level transparency information online. The best practice, however, is to update the state's information systems.

Figure 11: State Budget Size Does Not Determine the Level of Transparency[79]

State budget size in no way determines the ability of a state to deliver transparency. Some states with small budgets earned high scores, while some states with large budgets received low scores. (See figure below.) West Virginia, with a total state budget of $9.96 billion, scored a 91 on its new transparency website. Meanwhile, California, with a $167 billion budget, scored a 49. South Dakota, the state with the smallest budget, scored an 83; meanwhile, Ohio, with a budget 16 times larger than South Dakota, scored a 55.

The data show that small states with small budgets have the ability to create and maintain comprehensive and user-friendly transparency websites. Also, states with large budgets will not automatically be leaders in Transparency 2.0.

For example, New Mexico updated its information systems in its new *Sunshine Portal*, launched in July 2011.[78]

Financial constraints pose challenges for state transparency websites. While a number of states have made significant strides toward greater transparency using existing staff time and resources, many states—including Hawaii, Maryland, Missouri, Montana, Nebraska, New Hampshire, Oregon and Utah—cite fiscal constraints as an impediment to implementing new online features.[80] Officials in Missouri report that one reason they have been unable to include information on grants and

local government finances to the state's transparency website is that they lack the funding necessary to do so.[81] In Nebraska, costs for the transparency website are paid out of the Treasurer Office's existing budget, which limits the amount of money and time that can be dedicated to resolve technical challenges.[82] To overcome this challenge, states should allocate funds for maintaining and updating their transparency websites. Massachusetts, for example, dedicated $540,000 to develop and launch its "Open Checkbook" transparency tool as part of a larger IT upgrade.[83]

Another widely cited obstacle to greater transparency is figuring out how to protect confidential information while posting state spending information. Officials in Alaska, Arizona, Colorado, Florida, Iowa, Maine, Massachusetts, North Dakota and Texas all cited protecting confidential information as a challenge.[84] Colorado cited this challenge as a reason why it leaves the description fields blank for every expenditure, as sometimes the description contains sensitive data such as social security numbers and medical information.[85] However, this leaves website users unable to learn about the details of the goods or services purchased. The best solution is to develop a record-keeping system that keeps private information in fields that will not be disclosed to the public, while posting all other expenditure details.

Continuing the Momentum Toward Greater Transparency: How States Can Improve their Transparency 2.0 Websites

Despite the continued momentum toward Transparency 2.0—as evidenced by the improvement states made to their online spending transparency websites in 2011—state governments have a long way to go in ensuring that citizens have easy access to comprehensive information about how taxpayer dollars are spent.

All state transparency websites still have room for major improvement.

- Only six states provide visitors with copies of all contracts between a vendor and the state. Without copies of all contracts, citizens are unable to determine whether the terms of those contracts are beneficial for the public.

- Only one state—Illinois—provides information on both the projected number of jobs to be created and the actual number of jobs (or other societal benefits) created from economic development subsidies. While eight states provide information on the projected number of jobs created and two states provide information on the actual number of jobs created—these states provide only half of the information necessary to hold companies fully accountable and reclaim funds if promises are not kept. The other 39 states provide no data on the societal benefits of subsidies, leaving taxpayers completely unable to assess the utility of the subsidies

- Only six states provide copies of tax expenditure reports that include the purpose of the expenditures. By failing to describe the rationale for this indirect spending through the tax code, taxpayers and their representatives cannot assess whether the public benefit of these programs warrants the ongoing displacement of the revenue burden onto other taxpayers or reductions in government services. In addition, only 24 states provide tax expenditure reports that include expenditures for all major taxes (sales, income, and property) collected in their state.

- Only 26 states include any information about expenditures or revenue collected by quasi-public agencies or

public-private partnerships, leaving citizens in all other states unable to monitor such "off budget" state expenditures.

- Only 20 states provide access to any level of information about city and county spending, and rarely is the information posted by these states checkbook-level.

- Four states—Arkansas, Idaho, Iowa, and Montana—have yet to post their checkbooks online. As checkbook-level spending is the basis of Transparency 2.0, these Failing states should post their checkbooks online as well.

In the next year, state governments across the country should strive to improve government accountability. Leading and Advancing states (states that received an "A" or "B") should advance the Transparency 2.0 standard by continuing to develop innovative functions that elevate transparency and citizen involvement. Emerging and Lagging states (states that received a "C" or "D") should follow the example of the Leading and Advancing transparency states by improving the search functions on their websites and increasing the amount of information available to the public. Failing states (states that received "F"s) need to join the ranks of Transparency 2.0 governments by establishing one-stop, one-click searchable websites that provide comprehensive information on government expenditures.

Public budgets are the most concrete expression of public values—articulated in dollars and cents. As states grapple with difficult decisions in an effort to make budgetary ends meet, transparency websites provide an important tool to allow both citizens and civil servants to make informed choices.

With continued progress toward online transparency, citizens will be able to access information on every dollar of their state's spending—so they can actively and constructively engage in public debates about how those dollars are spent.

Appendices

Appendix A: Transparency Scorecard

State	Grade	Point Total	Checkbook-Level Website	Search by Vendor	Search by Keyword or Activity	Search by Agency or Department	Contract or Summary Information Available	Historical Expenditures
Total Possible		**100**	**30**	**8**	**8**	**8**	**10**	**5**
Texas	A	98	30	8	8	8	10	5
Kentucky	A	96	30	8	8	8	10	5
Indiana	A-	93	30	8	8	8	10	5
Louisiana	A-	92	30	8	8	8	5	5
Massachusetts	A-	92	30	8	8	8	5	5
West Virginia	A-	91	30	8	8	8	5	5
Arizona	A-	90	30	8	8	8	5	3
New York	B+	89	30	8	8	8	5	2
North Carolina	B+	87	30	8	8	8	5	2
Oregon	B+	87	30	8	8	8	0	5
Utah	B+	87	30	8	8	8	5	3
Connecticut	B	85	30	8	8	8	5	1
Washington	B	85	30	8	8	8	5	0
Michigan	B	83	30	8	8	8	5	2
Nebraska	B	83	30	8	8	8	5	3
South Dakota	B	83	30	8	8	8	10	3
Pennsylvania	B-	82	30	8	8	8	10	5
Delaware	B-	81	30	8	8	8	5	3
Illinois	B-	81	30	8	8	8	0	3
Virginia	B-	81	30	8	8	8	5	5
Mississippi	B-	80	30	8	8	8	10	4
Georgia	C+	79	30	8	8	8	0	2
Alabama	C+	78	30	8	8	8	5	4
Minnesota	C+	78	30	8	8	8	0	4
New Jersey	C+	78	30	8	8	8	0	5
Oklahoma	C+	78	30	8	8	8	0	1
Maryland	C+	75	30	8	0	8	5	3
New Mexico	C+	75	30	8	8	8	5	2
Hawaii	C	73	30	8	8	8	5	5
Missouri	C	72.5	30	8	8	8	0	5
Nevada	C	70	30	8	0	8	5	5
Colorado	C-	69	30	8	8	8	0	3
Kansas	C-	68	30	8	8	8	0	4
South Carolina	C-	66.5	30	8	0	8	5	4
North Dakota	C-	66	30	8	8	8	0	4
Florida	D	59	30	8	0	8	5	5
Ohio	D	55	30	0	0	0	5	1
Maine	D-	54	30	0	0	4	0	3
Tennessee	D-	51	30	0	0	8	0	4
Vermont	D-	51	30	0	0	0	0	2
Wisconsin	D-	50	30	4	4	4	5	0
Alaska	D-	49	30	0	1	1	0	4
California	D-	49	30	0	0	0	5	5
Rhode Island	D-	49	30	8	0	0	0	3
New Hampshire	D-	48	30	0	0	0	5	3
Wyoming	F	44	30	8	0	0	0	0
Iowa	F	19	0	0	0	0	5	0
Arkansas	F	8	0	0	0	0	5	0
Montana	F	7	0	0	0	0	5	1
Idaho	F	6	0	0	0	0	5	0

Grants and Economic Development Incentives	Downloadable	Tax Expenditure Reports	Off-Budget Agencies	City and County Budgets	ARRA Funding	Feedback	Website
10	3	10	2	2	2	2	
9	3	9	2	2	2	2	www.texastransparency.org
9	1	9	2	2	2	2	opendoor.ky.gov
9	3	6	0	2	2	2	www.in.gov/itp
9	3	10	2	0	2	2	www.latrac.la.gov
8	3	9	2	2	2	2	www.mass.gov/transparency
8	3	10	0	2	2	2	transparencywv.org
8	3	9	2	2	2	2	openbooks.az.gov
8	3	9	2	2	2	2	www.openbooknewyork.com
8	1	9	2	2	2	2	www.ncopenbook.gov
9	3	10	0	2	2	2	www.oregon.gov/transparency
6	3	8	2	2	2	2	utah.gov/transparency
6	3	8	2	2	2	2	www.transparency.ct.gov
7	3	10	0	2	2	2	fiscal.wa.gov
9	0	9	0	0	2	2	apps.michigan.gov/mitransparency
4	2	9	0	2	2	2	nebraskaspending.gov
6	2	0	2	2	2	2	open.sd.gov
8	0	0	2	0	2	1	contracts.patreasury.gov
6	0	7	0	2	2	2	transparency.delaware.gov
9	0	9	2	0	2	2	accountability.illinois.gov
6	3	0	2	2	2	2	datapoint.apa.virginia.gov
6	1	0	2	0	2	1	www.transparency.mississippi.gov
6	3	8	2	0	2	2	open.georgia.gov
6	3	0	2	0	2	2	open.alabama.gov
5	3	7	2	0	2	1	www.mmb.state.mn.us/tap
7	3	5	2	0	1	1	nj.gov/transparency
6	3	8	2	0	2	2	data.ok.gov
6	0	9	2	0	2	2	spending.dbm.maryland.gov
8	3	0	0	0	2	1	www.sunshineportalnm.com
6	0	0	0	0	2	1	hawaii.gov/spo2
5	2	2.5	0	0	2	2	www.mo.gov/my-government/transparency-accountability
7	0	0	2	2	2	1	open.nv.gov
6	2	0	0	0	2	2	tops.state.co.us
0	0	6	0	0	2	2	www.kansas.gov/kanview
0	1	2.5	2	2	2	2	https://ssl.sc.gov/spendingtransparency
5	0	0	0	0	2	1	data.share.nd.gov/pr
0	0	0	0	2	0	1	www.myfloridacfo.com/transparency
8	1	9	0	0	0	1	transparency.ohio.gov
4	2	10	0	0	0	1	www.maine.gov/osc/admin/datashare.shtml
4	0	0	2	0	2	1	www.tn.gov/opengov
4	3	9	2	0	0	1	finance.vermont.gov
0	0	0	0	0	2	1	sunshine.wi.gov
4	3	0	2	0	2	2	checkbook.alaska.gov
4	3	0	0	0	0	2	www.dgs.ca.gov/pd
3	3	0	0	0	0	2	www.ri.gov/opengovernment
4	0	0	0	2	2	2	www.nh.gov/transparentnh
0	0	0	2	0	2	2	www.wyoming.gov/transparency.html
4	0	7	0	0	2	1	data.iowa.gov
0	0	0	0	0	2	1	www.dfa.arkansas.gov/offices/procurement
0	0	0	0	0	0	1	gsd.mt.gov
0	0	0	0	0	0	1	purchasing.idaho.gov

Appendix B: Methodology

Grades for the scorecard were determined by assigning points for information included on (or in some cases, linked to) a state's transparency website or another government website that provides information on government spending. (See Table B-1 for a detailed description of the grading system.)

What we graded

Only one website was graded for each state. If states had a designated transparency website, that site was graded. If states lacked a transparency website, we graded the state website that earned the highest possible score.

The grades in this report reflect the status of state transparency websites as of January 3, 2012, with the exception of cases in which state officials alerted us to oversights in our evaluation of the websites or informed us of changes that had been made to the websites prior to early February 2012. In these cases, Frontier Group and U.S. PIRG Education Fund researchers confirmed the presence of the information pointed out by the state officials and gave appropriate credit for that information on our scorecard.

How we inventoried and assessed the websites

The researchers reviewed websites and corresponded with state officials as follows:

- During early January 2012, U.S. PIRG Education Fund researchers evaluated every accessible state transparency website based on the criteria laid forth in Table B-1.

- In mid-January, state agencies administering transparency websites were sent e-mails with our evaluation, and were asked to review our evaluation for accuracy. A deadline of January 27, 2012 was set for states to send comments. For a few states who requested extensions, the deadline was extended into early February.

- Approximately one week after the original e-mail was sent to state agencies, a second e-mail was sent reminding officials to respond by the deadline.

- In early February 2012, U.S. PIRG Education Fund researchers reviewed the state officials' comments, followed up on potential discrepancies, and made adjustments to the scorecard as warranted. In cases where website administrators misunderstood the grading criteria or our review of the website found that the site lacked information that state officials believed existed, the website administrator was sent an e-mail clarifying U.S. PIRG Education Fund's grading criteria.

Calculating the grades

States can receive a total of 100 points. Based on the points each state received, grades were assigned as follows:

Score	Grade
95 to 100 points	A
90 to 94 points	A-
87 to 89 points	B+
83 to 86 points	B
80 to 82 points	B-
75 to 79 points	C+
70 to 74 points	C
65 to 69 points	C-
60 to 64 points	D+
55 to 59 points	D
45 to 54 points	D-
1 to 44 points or no site	F

States are given full credit for making particular categories of information available on their websites, regardless of whether we could ascertain if the data evaluated are complete. For example, if a state's checkbook only contains a portion of the payments the state made to vendors, full credit is awarded. Likewise, if a website lists a non-government entity that received a grant or economic development incentive (and the value of the award), the state receives credit even if the payments made through other private subsidy programs are missing from the website.[86] While it is obviously critical that states post all of the information they purport to make available through their online transparency tools, measuring the completeness of each state website is well beyond the purview of this report and would require a separate objective data source on what information should be included that does not currently exist. We look forward to future efforts to ascertain the degree to which states are providing full and complete spending information to the public.

For the "Off-Budget Agencies" criterion, states were awarded points if they fulfilled one of the following conditions:

- the state received points for the "Quasi-Public Agencies" criterion in U.S. PIRG Education Fund's *Following the Money 2011* report (for which e-mails were sent to website administrators, inquiring whether quasi-public agencies were included);

- the website administrator responded in January or February 2012 that the site included expenditure or revenue information for quasi-public agencies or public-private partnerships;

- the website explicitly stated that its online checkbook contained data on off-budget agencies.[87]

Table B-1: Description of Point Allocation for the Scorecard

Variable	Description	Max. Number of Points	Partial Credit
Checkbook-Level Website	Detailed expediture information, including individual payments made to vendors. Contracts cannot be in the form of pre-purchase orders or term contracts because they must allow users to see the exact amount paid to the vendor.	30	No partial credit.
Search by Vendor	Ability to search checkbook-level expenditures by contractor or vendor name.	8	No partial credit.
Search by Keyword or Activity	Ability to search checkbook-level expenditures by type of service or item purchased (either the website allows a keyword search, or provides a list of categories) or the government fund paying for the good or service (fund name must be detailed).	8	No partial credit.
Search by Agency or Department	Ability to search checkbook-level expenditures by branch of the government that purchases the good or service.	8	No partial credit.
Contract or Summary Information Available	A copy of the contract or detailed summary information is included for the expenditures.	10	10 points if copies of all contracts are provided. 5 points if copies of contracts from only certain agencies or departments or pre-purchase contracts are provided. 5 points if a detailed summary of the expenditure is provided. This could include information such as the specific good or service purchased, the purpose of the contract, or outcome of the contract.
Historical Expenditures	Checkbook-level expenditure data from previous fiscal years. Contracts must be inactive.	5	1 point (up to five) for every fiscal year of checkbook-level expenditure data, excluding the most recent year. Partial (as opposed to full) credit is also awarded on a state-by-state basis if historical expenditure data are not complete because they are removed from the website after a set period of time.
Tax Expenditure Reports	The state's tax expenditure report is linked on the website.	10	Note: partial credit is additive across the categories below. 3 points for Accessibility - 1 point if the link to the tax expenditure report is difficult to find, 3 points if the link to the tax expenditure report is easy to find. 3 points for History - 1 point for every year detailed in the tax expenditure reports linked, excluding the most recent year. Tax expenditure information must be from no earlier than 2008 to receive more than one point of credit 3 points for Comprehensiveness - 1 point for each major tax (sales, property, and income). Full points for each tax are only awarded if the report includes at least one-third of expenditures of the tax. If a state does not collect one or more of these taxes, or collects less than 2 percent of its revenue from property tax, the other taxes are weighted equally.[88] 1 point if the purpose of tax expenditure provisions are explained within the report. Credit is not awarded if the stated purpose is to reduce the tax liability to a certain group or party.

Variable	Description	Max. Number of Points	Partial Credit
Grants and Economic Development Incentives	Awardee-specific grants and/or economic development incentives are included in the checkbook tool or elsewhere with specific award amounts.[89]	10	Note: partial credit is additive across the categories below. 2 points if specific recipients of grants and/or economic development incentives are included. 1 point if grants and/or economic development incentives are searchable by awardee. 1 point if grants and/or economic development incentives are searchable by keyword or name of subsidy program. 2 points if a detailed description of the individual grant and/or incentive is provided. 2 points if grants and/or econonomic development incentives given to companies and/or other private entities are included, as opposed to only grants given to government bodies and quasi-public agencies. 1 point if the public benefits, such as the number of jobs, intended to be produced by specific recipients are included. 1 point if the public benefits, such as the number of jobs, actually produced by the specific recipients are included.
Downloadable	Information can be downloaded for data analysis (via xlsx, csv, xml, etc.).	3	Note: partial credit is additive across the categories below. 2 points if checkbook-level expenditure data are downloadable, listing both vendors and price of goods or services purchased. 1 point if only some data is downloadable, such as aggregate expenditure data for departments or details on vendors. 1 point if data on grants and/or economic development incentives are downloadable.
Off-Budget Agencies	Expenditures from quasi-public agencies, such as transit authorities, or user fees collected by public-private partnerships, such as privatized toll roads, are included on the website.	2	No partial credit.
City and County Budgets	Financial information for some local governments is accessible from the website.	2	No partial credit.
ARRA Funding	A link is provided to the state's website that tracks funding related to the American Recovery and Reinvestment Act.	2	No partial credit.
Feedback	Website users are capable and encouraged to give feedback about the site.	2	Note: partial credit is additive across the categories below. 1 point if visitors are given contact information. 1 point if visitors are invited to give feedback.

State-by-State Explanation of Scoring Choices

Many point allocations for the grading criteria require some explanation.

Alabama: (1) Received five points for "Contract or Summary Information Available" because the site provides copies of pre-purchase orders, which establish a set price at which the government can buy a specific good or service. (2) Received six points for "Grants and Economic Development Incentives" because the website allows visitors to search for incentives given to private entities by recipient and keyword/program name.

Alaska: (1) Received zero points for "Search by Vendor" because spreadsheets that must be downloaded to view the checkbook do not allow users to search/sort by vendor. (2) Received one point for "Search by Activity" because the spreadsheets that must be downloaded to view the checkbook include a function that allows users to search by "Account Detail" (e.g., "Airfare," "Land Purchases," "Advertising"). Full credit was not awarded because the search function is built into Excel and not an online checkbook tool. (3) Received one point for "Search by Agency or Department" because spreadsheets that must be downloaded to view the checkbook include a function that allows users to search by government department. Full credit was not awarded because the search function is built into Excel and not an online checkbook tool. (4) Received four points for "Grants and Economic Development Incentives" because incentives awarded to private entities are included.

Arizona: (1) Received five points for "Contract or Summary Information Available" because personal communication with Joanna Greenaway from the Comptroller's office on February 3, 2012 indicated that the Procure AZ website does not have every purchase order, and it is not used by every agency. (2) Received eight points for "Grants and Economic Development Incentives" because incentives awarded to private entities have a detailed description and are searchable by recipient and keyword/program name. (3) Received nine points for "Tax Expenditure Reports": 3/3 for Accessibility, 3/3 for History, 3/3 for Comprehensiveness (includes all major taxes), 0/1 for Purpose.

Arkansas: (1) Received five points for "Contract or Summary Information" because the site contains pre-purchase orders, which establish a set price at which the government can buy a specific good or service. (2) Received one point for "Feedback" because visitors are given contact information, but are not invited to give feedback.

California: (1) Received four points for "Grants and Economic Development Incentives" because incentives awarded to private entities are included.

Colorado: (1) Received six points for "Grants and Economic Development Incentives" because incentives awarded to private entities are searchable by recipient and keyword/program name.

Connecticut: (1) Received five points for "Contract or Summary Information Available" because site is linked to pre-purchase orders, which establish a set price at which the government can buy a specific good or service. (2) Received six points for "Grants and Economic Development Incentives" because incentives awarded to private entities are searchable by recipient and keyword/program name. (3) Received eight points for "Tax Expenditure Reports": 1/3 for Accessibility, 3/3 for History, 3/3 for Comprehensiveness, 1/1 for Purpose.

Delaware: (1) Received five points for "Contract or Summary Information Available" because the contract site linked to the transparency portal is missing contracts from many departments (e.g., "Department of Agriculture," "Department of Transportation," "Department of Finance") and the contracts provided are purchase orders that have since been filled. (2) Received six points for "Grants and Economic Development Incentives" because incentives awarded to private entities are searchable by recipient and keyword/program name. (3) Received seven points for "Tax Expenditure Reports": 3/3 for Accessibility, 1/3 for History, 3/3 for Comprehensiveness, 0/1 for Purpose.

Florida: (1) Received five points for "Contract or Summary Information Available because the "Contract Search" section of the website (which provides descriptions of the expenditures and PDF copies of contract order forms) does not include contracts from all state departments and agencies. (2) Received one point for "Feedback" because visitors are invited to give feedback, but contact information is not provided.

Georgia: (1) Received six points for "Grants and Economic Development Incentives" because incentives awarded to private entities are searchable by recipient and keyword/program name. (2) Received eight points for "Tax Expenditure Reports": 3/3 for Accessibility, 2/3 for History, 3/3 for Comprehensiveness, 0/1 for Purpose.

Hawaii: (1) Received six points for "Grants and Economic Development Incentives" because incentives awarded to public entities have a detailed description and are searchable by recipient and keyword/program name. (2) Received one point for "Feedback" because visitors are provided with contact information but are not invited to give feedback.

Idaho: (1) Received five points for "Contract or Summary Information" because the site contains pre-purchase orders. (2) Received one point for "Feedback" because visitors are provided with contact information but are not invited to give feedback.

Illinois: (1) Received zero points for "Contract or Summary Information Available" because contracts are not posted and the descriptions provided for expenditures lack detail (descriptions such as "Scientific Instruments" or "Office Furniture and Equipment" lack sufficient detail). (2) Received nine points for "Grants and Economic Development Incentives" because incentives awarded to private entities are searchable by keyword/program name, and detailed descriptions as well as both the intended and actual public benefits are provided. (3) Received nine points for "Tax Expenditure Reports": 3/3 for Accessibility, 3/3 for History, 3/3 for Comprehensiveness, 0/1 for Purpose.

Indiana: (1) Received nine points for "Grants and Economic Development Incentives" because incentives awarded to private entities are searchable by awardee and keyword/program name, and detailed descriptions and intended public benefits are provided. (2) Received six points for "Tax Expenditure Reports": 3/3 for Accessibility, 1/3 points for History (although the report covers tax expenditures for two years other than the most current year, since the most current year is 2007, only one point is awarded), 2/3 for Comprehensiveness (the report contains income tax and property tax expenditures, but no sales tax expenditures), 0/1 for Purpose.

Iowa: (1) Received five points for "Contract or Summary Information" because the site contains pre-purchase orders, which establish a set price at which the government can buy a specific good or service.

(2) Received four points for "Grants and Economic Development Incentives" because incentives awarded to private entities are included. (From the main page, select "Tax Credit Information" under "Taxes," and company-specific data is available in the annual reports.) (3) Received seven points for "Tax Expenditure Reports": 3/3 for Accessibility, 1/3 for History, 3/3 Comprehensiveness, 0/1 for Purpose. (4) Received one point for "Feedback" because visitors are given contact information but are not invited to give feedback.

Kansas: (1) Received six points for "Tax Expenditure Reports": 3/3 for Accessibility, 0/3 for History, 3/3 for Comprehensiveness, 0/1 for Purpose.

Kentucky: (1) Received nine points for "Grants and Economic Development Incentives" because incentives awarded to private entities are searchable by awardee and keyword/program name, and detailed descriptions and intended public benefits are provided. (2) Received one point for "Downloadable" because although the checkbook-level spending information is not downloadable, aggregate expenditure information by department or type of good or service is downloadable. Also, expenditures on grant and economic development incentives (located at http://www.thinkkentucky.com/fireports/fiintro.aspx and navigable from the main page via the "Tax Incentives" link) are not downloadable. (3) Received nine points for "Tax Expenditure Reports": 3/3 for Accessibility, 3/3 for History, 3/3 for Comprehensiveness, 0/1 for Purpose.

Louisiana: (1) Received five points for "Contract or Summary Information Available" because detailed summaries of expenditures are provided in the state's contract database (http://wwprd.doa.louisiana.gov/latrac/contracts/contractSearch.cfm). (2) Received nine points for

"Grants and Economic Development Incentives" because incentives awarded to private entities are searchable by awardee and keyword/program name, and detailed descriptions and intended public benefits are provided.

Maine: (1) Received four points for "Search by Agency or Department" because the expenditure data are already sorted by department in spreadsheet format. (2) Received four points for "Grants and Economic Development Incentives" because the incentives from the Business Equipment Tax Reimbursement to private entities are included. (3) Received two points for "Downloadable" because checkbook-level expenditure information is provided in downloadable spreadsheets, but expenditures on "Grants and Economic Development Incentives" are only available in PDF format, which cannot be analyzed. (4) Received one point for "Feedback" because visitors are provided with contact information but are not invited to give feedback.

Maryland: (1) Received five points for "Contract or Summary Information Available" because the site provides access to pre-purchase orders, which establish a set price at which the government can buy a specific good or service. (2) Received six points for "Grants and Economic Development Incentives" because incentives awarded to private entities are searchable by recipient and keyword/program name. (3) Received nine points for "Tax Expenditure Reports": 3/3 for Accessibility, 3/3 for History, 3/3 for Comprehensiveness, 0/1 for Purpose.

Massachusetts: (1) Received five points for "Contract or Summary Information Available" because detailed summaries of expenditures are provided when the user hovers the mouse arrow over spending sub-categories. (2) Received eight points

for "Grants and Economic Development Incentives" because incentives awarded to private entities have a detailed description and are searchable by recipient and keyword/program name. (3) Received nine points for "Tax Expenditure Reports": 3/3 for Accessibility, 3/3 for History, 3/3 for Comprehensiveness, 0/1 for Purpose. (4) Received two points for "Off-budget Agencies" because a few of these agencies include their expenditures in the checkbook feature, even though the "What's Not Included in Open Checkbook" portion of the website claims that expenditures from some quasi-public agencies are not included.

Michigan: (1) Received five points for "Contract or Summary Information Available" because according to the site's explanation (found by downloading the "DTMB Purchasing Operations Contract List."), the "contracts," which appear to be fulfilled purchase orders, are for values over \$25,000 and exclude some state departments and is limited to awards over \$25,000. (2) Received nine points for "Grants and Economic Development Incentives" because incentives awarded to private entities are searchable by awardee and keyword/program name, and detailed descriptions and intended public benefits are provided. (3) Received nine points for "Tax Expenditure Reports": 3/3 for Accessibility, 3/3 for History, 3/3 for Comprehensiveness.

Minnesota: (1) Received five points for "Grants and Economic Development Incentives" because incentives awarded to private entities are searchable by recipient. (2) Received seven points for "Tax Expenditure Reports": 1/3 for Accessibility (these reports are found under the "Publications" tab on the Department of Revenue's website, which is accessible using the "Tax Information" link on the transparency website's main page), 3/3 for

History, 3/3 for Comprehensiveness, 0/1 for Purpose. (3) Received one point for "Feedback" because visitors are provided with contact information but are not invited to give feedback.

Mississippi: (1) Received six points for "Grants and Economic Development Incentives" because incentives awarded to private entities are searchable by recipient and keyword/program name. (2) Received one point for "Downloadable" because checkbook-level expenditure data are downloadable only at some levels of the checkbook-level drilldown. (3) Received one point for "Feedback" because visitors are provided with contact information but are not invited to give feedback.

Missouri: (1) Received zero points for "Contract or Summary Information Available" because, although the website contains a "Search by Contract" feature, the feature does not provide copies of actual contracts. The "Search by Contract" feature provides payment amounts made to vendors through contracts. (2) Received five points for "Grants and Economic Development Incentives" because incentives awarded to private entities are searchable by recipient. (3) Received two points for "Downloadable" because checkbook-level expenditure data, found under the site's "Expenditures" tab, are downloadable to Excel, but Grants and Economic Development Incentives, located under "Tax Credits," are not downloadable. (4) Received 2.5 points for "Tax Expenditure Reports:" 1/3 for Accessibility (the researchers could not find the link to the report through the transparency website, however the base URL is the same as transparency portal), 0/3 for History, 1.5/3 for Comprehensiveness (report includes expenditure information on income tax, but not on sales tax, and Missouri does not have a property tax). Note: The Tax Credit Accountability Report was assessed.

Montana: (1) Received five points for "Contract or Summary Information Available" because the site provides copies of pre-purchase orders, which establish a set price at which the government can buy a specific good or service. (2) Received one point for "Historical Expenditures" because the website provides at least two term contracts that expired in November 2010.

Nebraska: (1) Received four points for "Grants and Economic Development Incentives" because incentives awarded to private entities are included. (2) Received nine points for "Tax Expenditure Reports": 3/3 for Accessibility, 3/3 for History, 3/3 for Comprehensiveness, 0/1 for Purpose.

Nevada: (1) Received seven points for "Grants and Economic Development Incentives" because incentives awarded to public entities have a detailed description and are searchable by recipient and keyword/program name. In addition, one point is awarded for "public benefits intended to be produced by specific recipients are included" because the website provides a detailed description of the goals of the grantees (e.g., part of the description of the "Nevada Alliance for Arts Education," which received $17,300, is "In partnership with schools, arts institutions, artists, municipalities and tribal organizations, the Arts Council enhances a statewide system that delivers a breadth of cultural services to Nevada's populated cities and most rural isolated towns"). (2) Received one point for "Feedback" because visitors are provided with contact information but are not invited to give feedback.

New Hampshire: (1) Received five points for "Contract or Summary Information Available" because the site provides copies of pre-purchase orders, which establish a set price at which the government can

buy a specific good or service. (2) Received four points for "Grants and Economic Development Incentives" because incentives awarded to private entities are included.

New Jersey: (1) Received seven points for "Grants and Economic Development Incentives" because incentives awarded to public entities (although the checkbook tool does not explicitly state that grants are awarded, some of the vendors imply that their purpose is to receive grants, such as the "Cooper Health System UMC Grants Management Office") are searchable by recipient and keyword/program name, and incentives awarded to private entities provide the intended public benefits. (2) Received one point for "ARRA Funding" because site is linked to the national, not state, recovery site. (3) Received five points for "Tax Expenditure Reports": 3/3 for Accessibility, 0/3 for History, 2/3 for Comprehensiveness (sales and income tax expenditures are included, and since the state receives an insignificant proportion of its revenue from property tax, this criterion was not assessed on whether or not the report included property tax expenditures. However, two instead of three points were awarded because the report includes estimates for less than one-third—16 of the 135—of sales tax expenditures), 0/1 for Purpose.

New Mexico: (1) Received eight points for "Grants and Economic Development Incentives" because incentives awarded to private entities have a detailed description and are searchable by recipient and keyword/program name. (2) Received one point for "Feedback" because visitors are provided with contact information but are not invited to give feedback.

New York: (1) Received two points for "Historical Expenditures" because, although the site posts some contracts from many prior years, the site removes expired

contracts after one year. (2) Received eight points for "Grants and Economic Development Incentives" because incentives awarded to private entities have a detailed description and are searchable by recipient and keyword/program name. (2) Received nine points for "Tax Expenditure Reports": 3/3 for Accessibility, 3/3 for History, 3/3 for Comprehensiveness, 0/1 for Purpose.

North Carolina: (1) Received five points for "Contract or Summary Information Available" because copies of purchase orders and total amount paid are provided. (2) Received eight points for "Grants and Economic Development Incentives" because incentives awarded to private entities have a detailed description and are searchable by recipient and keyword/program name. (3) Received one point for "Downloadable" because the expenditures within the checkbook tool are not downloadable, but the website provides some vendor-specific data, such the "Largest Contracts by Name," in CSV format. (4) Received nine points for "Tax Expenditure Reports": 3/3 for Accessibility, 3/3 for History, 3/3 for Comprehensiveness, 0/1 for Purpose.

North Dakota: (1) Received eight points for "Search by Agency or Department" because payments made to vendors are searchable by "Business Units," which are government departments. (2) Received five points for "Grants and Economic Development Incentives" because incentives awarded to private entities are searchable by recipient. (3) Received one point for "Feedback" because visitors are given contact information, but are not invited to give feedback.

Ohio: (1) Received 30 points for "Checkbook-Level Website" because the website provides a PDF document listing expenditures from fiscal year 2009 that are valued at $25,000 or more. (2) Received five points

for "Contract or Summary Information Available" because the site provides copies of pre-purchase orders, which establish a set price at which the government can buy a specific good or service. (3) Received one point for "Past Contracts" because the website provides a PDF document listing expenditures form fiscal year 2008 that are valued at $25,000 or more.(4) Received one point for downloadable because grant data from some departments (e.g., Department of Alcohol and Drug Addiction) are downloadable.

Oklahoma: (1) Received zero points for "Contract or Summary Information Available," because descriptions of purchase orders are included for only a small portion of the payments. (2) Received six points for "Grants and Economic Development Incentives" because incentives awarded to private entities are searchable by recipient and keyword/program name. (3) Received eight points for "Tax Expenditure Reports": 3/3 for Accessibility, 2/3 for History, 3/3 for Comprehensiveness, 0/1 for Purpose.

Oregon: (1) Received nine points for "Grants and Economic Development Incentives" because incentives awarded to private entities are searchable by awardee and keyword/program name, and detailed descriptions and intended public benefits are provided (some of this information is available in the "Benchmarking State Business Incentives" report linked on the website). (2) Received eight points for "Tax Expenditure Reports": 3/3 for Accessibility, 2/3 History, 3/3 for Comprehensiveness, 0/1 for Purpose.

Pennsylvania: (1) Received eight points for "Grants and Economic Development Incentives" because incentives awarded to private entities have a detailed description and are searchable by recipient and keyword/program name. (2) Received one

point for "Feedback" because visitors are given contact information, but are not invited to give feedback.

Rhode Island: (1) Received three points for "Grants and Economic Development Incentives" because incentives awarded to public entities are searchable by recipient.

South Carolina: (1) Received five points for "Contract or Summary Information Available" because the site provides copies of pre-purchase orders, which establish a set price at which the government can buy a specific good or service. (2) Received one point for "Downloadable" because expenditure data are downloadable only at some levels of the checkbook-level drilldown tool. (2) Received 2.5 points for "Tax Expenditure Reports": 1/3 for Accessibility, 0/3 for History, 1.5/3 for Comprehensiveness (the report includes sales tax expenditures but not income tax expenditures, and the state does not collect a more than two percent of its revenue from property tax, so it is not counted in this report), 0/1 for Purpose.

South Dakota: (1) Eight points for "Search by Keyword or Activity" because website is searchable by "Type of Expenditure." (2) Received six points for "Grants and Economic Development Incentives" because incentives awarded to private entities are searchable by recipient and keyword/program name.

Tennessee: (1) Received four points for "Grants and Economic Development Incentives" because incentives awarded to private entities are included. (2) Received one point for "Feedback" because visitors are invited to give feedback, but contact information is not provided.

Texas: (1) Received nine points for "Grants and Economic Development Incentives" because incentives awarded to

private entities are searchable by awardee and keyword/program name, and detailed descriptions and intended public benefits are provided (incentive information is located in "Budget, Financial, and Economic Reports," then click "An Analysis of Texas Economic Development Incentives 2010"). (2) Received nine points for "Tax Expenditure Reports": 3/3 for Accessibility, 3/3 for History, 3/3 for Comprehensiveness, 0/1 for Purpose.

Utah: (1) Received six points for "Grants and Economic Development Incentives" because incentives awarded to private entities are searchable by recipient and keyword/program name. (2) Received eight points for "Tax Expenditure Reports": 3/3 for Accessibility, 3/3 for History, 2/3 for Comprehensiveness (the report covers sales and property tax expenditures, but not income tax expenditures), 0/1 for Purpose.

Vermont: (1) Received four points for "Grants and Economic Development Incentives" because incentives awarded to private entities are included. (2) Received nine points for "Tax Expenditure Reports": 3/3 for Accessibility, 3/3 for History, 3/3 for Comprehensiveness, 0/1for Purpose. (3) Received one point for "Feedback" because visitors are invited to give feedback, but contact information is not provided.

Virginia: (1) Five points for "Contract or Summary Information Available" because the drill down feature allows users to select different layers of expenditure types, giving users a detailed level of depth. (2) Received six points for "Grants and Economic Development Incentives" because incentives awarded to private entities are searchable by recipient and keyword/program name.

Washington: (1) Received five points for "Contract or Summary Information"

because the site provides descriptions (plus company information, amount given, and start and end date) for personal service contracts (e.g., "The purpose of this contract is to hire an actuarial consultant to review and comment on changes to retrospective rating tables, including . . ."). (2) Received seven points for "Grants and Economic Development Incentives" because incentives awarded to private entities are searchable by recipient and keyword/program name, and include actual public benefits. A description of the incentive is available, but the descriptions are not company-specific.

West Virginia: (1) Received five points for "Contract or Summary Information" because the site contains pre-purchase orders, which establish a set price at which the government can buy a specific good or service. (2) Received eight points for "Grants and Economic Development Incentives" because incentives awarded to private entities have a detailed description

and are searchable by recipient and keyword/program name.

Wisconsin: (1) Recently, the Department of Administration launched a website (http://doa.wi.gov/sboexpendchoose.asp) that provides expenditure and revenue information for programs within departments. This website was not graded because it is not checkbook-level— visitors are unable to view the individual payments made to vendors—and would have earned a score lower than Contract Sunshine . (2) Received four points each for "Search by Vendor," "Search by Keyword or Activity," and "Search by Agency or Department" because the website allows users to sort by the first letter of the company, activity/keyword and agency. (3) Received one point for "Feedback" because visitors are given contact information, but are not invited to give feedback.

Wyoming: No explanation required.

Appendix C:
List of Questions Posed to
Transparency Website Officials

U.S. PIRG Education Fund researchers sent a list of questions and an initial assessment of each state's transparency website to the officials responsible for their state's site and received responses from such officials in 47 states (all states except Idaho, Vermont and Wisconsin). Our researchers used the responses to ensure that the information gathered from the websites was up-to-date and to supplement the content of the report. Below is the list of questions posed to state officials:

1. The attached spreadsheet lists each item for which your transparency website could have received credit, followed by either a Y (Yes) or an N (no), indicating whether we found that feature on the site. If you believe that our scoring has given credit where it was not due, please let us know. If you believe that our scoring has given less credit than appropriate, please explain to us how to find the feature(s). That way we can confirm that it is on the website.

2. If possible, please include an estimate of your operating and start-up costs.

3. Are there any transparency features on your site that are not part of our inventory but which you believe add significant transparency functionality or are cutting edge?

4. What approximate percent of total state spending is detailed through your website with amounts and recipients? Also, what percent of the state's contract spending is detailed?

5. What are the next frontiers of government spending transparency that are currently underway or being planned for your web portal?

6. Please identify, if possible, one or two efficiency gains or cost savings that have been possible as a result of introducing the current transparency portal. For instance, some states have identified savings from reduced information requests, consolidated procurement, enlarged contracting pools, or recognition of redundancies. If possible, please include an estimate of the dollar value of those savings.

7. Does your transparency website provide any spending information about the expenditures of quasi-public agencies? To clarify, quasi-public agencies are publicly chartered bodies that perform some public function and are controlled by government-appointed boards. They are not fully public because they operate independently of the legislative and executive branches and do not principally depend on state general funds for operation. They cannot be classified as private entities because they are governed by state appointees and are typically endowed with public powers to collect fees or other revenues, as well as to perform public functions.

8. Are there expenditures or revenues posted on the website that are generated by private entities under contract to operate public functions or lease public infrastructure assets? This might include, for instance, a privatized toll road or a public-private partnership for a public function such as a state lottery, park or motor vehicle bureau.

9. Please tell us about any special challenges with implementing best practices in your state, such as jurisdictional, technological or legal issues.

Appendix D:
Agencies or Departments Responsible for Administering Transparency Websites by State

State	Who is responsible for the transparency website?	Transparency Website
Alabama	State Comptroller's Office, Department of Finance	open.alabama.gov
Alaska	Division of Finance, Department of Administration	checkbook.alaska.gov
Arizona	General Accounting Office, Department of Administration	openbooks.az.gov
Arkansas	Department of Finance and Administration	www.dfa.arkansas.gov/offices/procurement
California	Department of General Services	www.dgs.ca.gov/pd
Colorado	Office of the State Controller, Department of Personnel and Administration	tops.state.co.us
Connecticut	General Assembly's Office of Fiscal Analysis	www.transparency.ct.gov
Delaware	Cooperation of Office of Management and Budget, Government Information Center, and Department of Finance	transparency.delaware.gov
Florida	Department of Financial Services	www.myfloridacfo.com/transparency
Georgia	Department of Audits and Accounts	open.georgia.gov
Hawaii	State Procurement Office, Department of Accounting and General Services	hawaii.gov/spo2
Idaho	Division of Purchasing, Department of Administration	purchasing.idaho.gov
Illinois	Office of the Comptroller, Department of Central Management Services	accountability.illinois.gov
Indiana	State Auditor's Office	www.in.gov/itp
Iowa	Department of Management	data.iowa.gov
Kansas	Department of Administration	kansas.gov/kanview
Kentucky	Governor's Office: E-Transparency Task Force, a multi-agency effort led by officials of the Finance and Administration Cabinet	opendoor.ky.gov
Louisiana	Division of Administration	www.latrac.la.gov
Maine	Office of the State Controller	www.maine.gov/osc/admin/datashare.shtml
Maryland	Department of Budget and Management	spending.dbm.maryland.gov
Massachusetts	Executive Office for Administration and Finance	www.mass.gov/transparency

State	Who is responsible for the transparency website?	Transparency Website
Michigan	Office of Financial Management, State Budget Office, Department of Technology, Management and Budget	apps.michigan.gov/mitranspar mitransparency
Minnesota	Minnesota Management and Budget	www.mmb.state.mn.us/tap
Mississippi	Department of Finance and Administration	www.transparency.mississippi. gov
Missouri	Office of Administration	www.mo.gov/my-government/ transparency-accountability
Montana	Department of Administration, General Services Division, State Procurement Bureau	gsd.mt.gov
Nebraska	State Treasurer's Office	nebraskaspending.gov
Nevada	Budget and Planning Division, Department of Administration	open.nv.gov
New Hampshire	Department of Administrative Services and the Department of Information Technology	www.nh.gov/transparentnh
New Jersey	Office of the Treasurer	nj.gov/transparency
New Mexico	Department of Information Technology	sunshineportalnm.com
New York	Office of the State Comptroller	www.openbooknewyork.com
North Carolina	Office of State Budget and Management (OSBM) with substantial help from the Department of Administration (DOA), the Office of the State Controller (OSC), and the Office of Information Technology Services (ITS)	www.ncopenbook.gov
North Dakota	Office of Budget and Management	data.share.nd.gov/pr
Ohio	Treasurer of State	transparency.ohio.gov
Oklahoma	Office of State Finance	data.ok.gov
Oregon	Enterprise Information Strategy and Policy Division, Department of Administrative Services	www.oregon.gov/transparency
Pennsylvania	Pennsylvania Treasury Department	contracts.patreasury.org
Rhode Island	State Controller's Office, Office of Accounts and Controls, Department of Administration	ri.gov/opengovernment
South Carolina	Comptroller General's Office	https://ssl.sc.gov/ spendingtransparency
South Dakota	Bureau of Finance and Management	open.sd.gov
Tennessee	Department of Finance and Administration	tn.gov/opengov
Texas	Comptroller of Public Accounts' Office	www.texastransparency.org
Utah	Division of Finance, Department of Administrative Services	utah.gov/transparency
Vermont	Department of Finances and Management	finance.vermont.gov
Virginia	Auditor of Public Accounts	datapoint.apa.virginia.gov
Washington	Legislative Evaluation and Accountability Program and the Office of Financial Management	fiscal.wa.gov
West Virginia	State Auditor's Office	transparencywv.org
Wisconsin	Wisconsin Government Accountability Board	sunshine.wi.gov
Wyoming	Department of Administration and Information	www.wyoming.gov/ transparency.html

Notes

1   In this report, a "transparency website" or "transparency portal" refers to a transparency website, procurement website, data-aggregation website, or other state-operated website that posts information on state expenditures and is accessible to the public.

2   Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS), *About FSRS,* downloaded from www.fsrs.gov, 16 February 2012.

3   USAspending.gov, *Learn About USAspending.gov; Frequently Asked Questions,* downloaded from www.usaspending. gov/learn?tab=FAQ#1, 29 February 2012.

4   Florida lists contracts that total 55 percent of the 2011 budget for the Department of Children and Families and the state of Washington's Department of Commerce lists 2011 contracts totaling over 95 percent of its budget, according to an analysis of state websites. See Melissa Duscha and Suzanne Leland, University of North Carolina at Charlotte, *State Contracting Preliminary Report*, 2012. For a more general discussion, see, e.g., Stephen Goldsmith and William D. Eggers, "Government for Hire," *New York Times*, 21 February 2005.

5   In this report, "Economic Development Incentives" refer to expenditures—either direct or through the tax code—awarded to private entities (including companies and organizations) with the purpose of growing the economy in a specific sector or geographic area. Tax credits awarded to private entities to create jobs, incentivize investment, and train the workforce are examples of economic development incentives.

6   In 2002 a University of Iowa study estimated a total of US$ 40 to US$ 50 billion in state investment subsidies were distributed, a figure that has surely grown with the increasing use of these incentives. See Alan Peters and Peter Fisher, "The Failures of Economic Development Incentives." *Journal of the American Planning Association,* 70(1): 28, 2004; Massachusetts's economic development tax expenditures, for example, cost the state nearly $1.5 billion a year: Bruce Mohl, "Subsidizing the Stars," *CommonWealth*, Spring 2008. During its decades of expansion, Wal-Mart alone has received over $1 billion in state and local subsidies: Barnaby Feder, "Wal-Mart's Expansion Aided by Many Taxpayer Subsidies," *New York Times*, 24 May 2004.

7   For a detailed description of states' disclosure on economic development incentives, not limited to those listed on states' transparency portals, see: Philip Mattera, Good Jobs First, *Show Us the Subsidies: An Evaluation of State Government Online Disclosure of Economic Development Subsidies*, December 2010.

8   For a history of this expansion, see Alberta M. Sbragia, *Debt Wish: Entrepreneurial Cities, U.S. Federalism, and Economic Development* (University of Pittsburgh Press, 1996).

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19   Mike Mahaffie, Delaware Government Information Center, personal communication, 27 January 2012.

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2012; Louisiana: Steven Procopio, Louisiana Division of Administration, personal communication, 3 February 2012; Maryland: Robin Sabatini, Maryland Department of Budget and Management, personal communication, 31 January 2012; Massachusetts: Ramesh H. Advani, Massachusetts Executive Office for Administration and Finance, personal communications, 26 January and 23 February 2012; Michigan: Paul McDonald, Michigan Office of Financial Management, personal communication, 24 January 2012; Minnesota: Joel Ludwigson, Minnesota Management and Budget, personal communication, 30 January 2012; Mississippi: Cille Litchfield, Mississippi Department of Finance and Administration, personal communications, 26 January and 21 February 2012; Nebraska: Jason Walters, Nebraska State Treasurer's Office, personal communication, 27 January 2012; Missouri: (cost of Missouri Accountability Portal) Tim Robyn, Missouri Office of Administration, personal communication, 26 January 2012; Nevada: Lesley Henrie, Nevada Department of Administration, personal communication, 6 February 2012; New Mexico: Estevan Lujan, New Mexico Department of Information Technology, personal communication, 30 January 2012; New York: Nick Ladopoulos, New York Office of the State Comptroller, personal communication, 27 January 2012; North Carolina: Jonathan Womer, North Carolina Office of State Budget and Management, personal communication, 27 January 2012; North Dakota: Toby Mertz, North Dakota Office of Management and Budget, personal communication, 19 January 2012; Ohio: Chris Wilkin, Ohio Department of Administrative Services, personal communication, 27 January 2012; Oklahoma: Center for Fiscal Accountability, *Transparency in Government Spending: Cost vs. Savings*, downloaded from www.fiscal accountability.org/userfiles/cost&savings.pdf, 16 February 2012; Oregon: Sean L. McSpaden, Oregon Enterprise Information Strategy and Policy Division, personal communication, 25 January 2012; Pennsylvania: Michael Smith, Pennsylvania Treasury, personal communication, 30 January 2012; Rhode Island: Treasury Online Checkbook, State of Rhode Island, *Frequently Asked Questions*, downloaded from www.

treasury.ri.gov/opengov/faq.php, 14 September 2009; South Carolina: James Holly, South Carolina Comptroller General's Office, personal communication, 3 February 2012; South Dakota: Colin Keeler, South Dakota Bureau of Finance and Management, personal communication, 24 January 2012; Tennessee: Lola Potter, Tennessee Department of Finance and Administration, personal communication, 3 February 2012; Texas: Beth Hallmark, Office of the Texas State Comptroller, personal communication, 27 January 2012; Utah: John C. Reidhead, Utah State Department of Administrative Services, *Letter to Derek Monson, Sutherland Institute*, 29 January 2009, available at sunshinereview.org/images/0/07/Sutherland_Institue_FOIA.pdf, and Brenda Lee, Utah Department of Finance, personal communication, 27 January 2012; Virginia: April Gunn, Office of the Virginia Auditor of Public Accounts, personal communication, 23 January 2012; Washington: Jerry Brito and Gabriel Okolski, Mercatus Center, George Mason University, *The Cost of State Online Spending-Transparency Initiatives*, April 2009; Wyoming: Joyce Hefenieder, Wyoming Department of Administration and Information, personal communication, 27 January 2012.

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50   Michael Mann, Washington Legislative Evaluation and Accountability Program Committee, personal communication, 24 January 2012.

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Republicans control both houses of the state legislature had an average score of 67.56, while states in which Democrats control both houses of the state legislature had an average score of 69.53, a difference of less than two points. Averages of states by parties in control of state legislatures include the scores of the 42 states in which both houses of the state's legislature are controlled by the same party. The seven states in which control of the state legislature is split were not included in these calculations. One state, Nebraska, has a unicameral, nonpartisan state legislature, and was also excluded from this calculation.

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conducted by the Center for Local, State, and Urban Policy at the University of Michigan, showed that only 8 percent of local leaders "think [the EVIP] dashboard would be very effective at improving their local government's overall performance." The state should utilize feedback from local officials to make EVIP requirements more useful to local governments. Source: Center for Local, State, and Urban Policy, *Michigan Public Policy Survey, January 2012*, downloaded from http://closup.umich.edu/michigan-public-policy-survey/, 21 February 2012.

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