

TACIR

The Tennessee Advisory Commission
on Intergovernmental Relations



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MEMORANDUM

TO: Commission Members

FROM: Lynnise Roehrich-Patrick
Executive Director

DATE: 22 August 2013

SUBJECT: State and Local Government Transparency Legislation—Draft Report for Review
and Comment

The attached draft report is submitted for review and comment. It was prepared in response to two bills concerning government transparency that were referred to the Commission for study by the 107th General Assembly.

Senate Bill 2831 (Ketrone) [House Bill 3327 (Carr)], known as the Taxpayer Transparency Act, was referred by the Senate Finance, Ways and Means Committee. This bill would have required the state Department of Finance and Administration to create and maintain a searchable budget database website detailing where, for what purpose, and what results are achieved for all taxpayer investments in state government.

Senate Bill 2832 (Ketrone) [House Bill 3328 (Carr)], known as the Local Government Transparency Act, was referred by the House State and Local Government Subcommittee. This bill would have required each county, city, and school district to have a single, searchable expenditure and revenue database accessible from its main website.

Both bills require such features as searchability, historical data, and information about “checkbook level” expenditures and contracts.

A final report will be presented at the October commission meeting.

Government Transparency: Can One Size Fit All?

Improving citizens' access to government information has been important since America's founding, but has received particular emphasis recently, in part because advances in technology make it possible. The ability of governments to make more kinds of data available, however, depends on many factors—the financial and staff resources available, citizens' wants and needs, availability of broader connectivity, underlying data systems—all of which affect how much and what kinds of information can be made available. A “one-size-fits-all” solution probably isn't practical for all of Tennessee's governments, but establishing some parameters could help all governments become more transparent.

The 107th General Assembly referred two government transparency bills to the Commission for study, one addressing the state government and one addressing local governments. **Senate Bill 2831 (Ketron) [House Bill 3327 (Carr)]**, known as the Taxpayer Transparency Act, would have required the state Department of Finance and Administration to create and maintain a searchable budget database website detailing where, for what purpose, and what results are achieved for all taxpayer investments in state government. **Senate Bill 2832 (Ketron) [House Bill 3328 (Carr)]**, known as the Local Government Transparency Act, would have required each county, city, and school district to post certain financial and regulatory information online. Both bills require such features as searchability, historical data, and information about “checkbook level” expenditures, and contracts. With their complex specifications and higher costs, the bills' requirements would be most appropriate for the state and its largest communities.

Based on the fiscal notes, these bills would be costly to implement. At the same time, their requirements do not cover the full range of public information people may wish to access. For instance, they do not include basic information about regulatory actions such as state nursing home inspections and local property tax assessments. Instead they focus almost entirely on government finances. Much of this information is already available online, especially at the state level and on websites of larger local governments. Larger local governments that provide a wide range of services and have highly skilled technical staffs, like Shelby and Knox counties, which received A-minuses for their websites from the Sunshine Review, a national organization that advocates transparency, may be able to meet the requirements of Senate Bill 2832 with little effort. Many small cities, by contrast, have no website at all and would incur considerable expense in meeting the bill's requirements.

Given these differences in size and complexity, as well as the interest of local communities in transparency and their willingness to pay for it, a range of options may make more sense. Small communities could take advantage of reports already available online, for example, by linking to such information as audits and city charters. Legislation could establish guidelines for presenting this information, and agencies such as the University of Tennessee's County Technical Assistance Service (CTAS) and Municipal Technical Advisory Service (MTAS) could assist by creating website templates that meet the guidelines.

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Mid-sized governments may be able to provide detailed information more easily and at less cost than smaller communities. The General Assembly could provide a list of basic information such as contact information for administrative and elected officials; agendas and minutes from meetings; regulatory information such as building permits; and budgets, financial reports, and audits. Mid-sized governments may not have and should not have to provide the same level of detail as larger communities.

Regardless of the approach taken, establishing a broadly representative, state-level task force to define standards and advocate for transparency would be beneficial. Even with voluntary standards, communities would have yardsticks for measuring the adequacy of local transparency efforts. The task force should represent various interests, such as citizens, businesses, educational institutions, and all levels of government, to ensure that any guidelines adopted will include the full range of information that people want. It should also include information technology professionals so that system capabilities and limitations are fully considered. Any transparency efforts must comply with existing laws protecting certain types of information. Access to some data is restricted by state and federal laws for reasons of security, safety, individual privacy, and corporate proprietary protections.

What is transparency?

Access to public information is a key tenet of American governance. James Madison, writing in 1825, said

A popular Government without popular information, or the means of acquiring it, is but a Prologue to a Farce or a Tragedy; or perhaps both. Knowledge will forever govern ignorance. And a people who mean to be their own Governors, must arm themselves with the power which knowledge gives.

But Madison could not have envisioned the quantity and complexity of present day government information nor the expectations for speed to produce and release it. Moreover, transparency does not mean the same thing to everyone.

The *Merriam Webster Dictionary* defines “transparent” in several ways. The first definition, “having the property of transmitting light without appreciable scattering so that bodies lying beyond are seen clearly” is the most literal, but for addressing government transparency, another definition probably fits best: “characterized by visibility or accessibility of information especially concerning business practices.”

The federal government and the individual states have had public records legislation on the books since the mid-20th century—known in many places as Freedom of Information Acts (FOIAs). The emphasis on transparency is more recent and goes beyond these laws. Public records statutes require governments to release certain information when requested, but the responsibility falls to requestors to know what they seek and how to ask for it. Transparency

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laws, on the other hand, shift the responsibility to the government to post proactively certain kinds of information without being asked.

The past decade has seen widespread pressure to improve public access to government information in part because of concerns about government performance, but also because advances in technology make it possible. Proponents of improved transparency believe that making public information more available and understandable will

- make government officials more accessible and accountable,
- reduce government waste and abuse,
- provide useful information for people working within government,
- help identify trends, and
- free up government employees from responding to routine information requests from residents, media, and interest groups.

Improving government transparency, however, is not a simple task. Governments have many parts that may or may not work well together—constitutional structures, split partisan control, and disparate functions all contribute to “silos” within a single government. In addition, many standard reports that governments produce are unwieldy, difficult to understand, and not very timely. Although providing documents such as budgets and comprehensive annual financial reports (CAFRs) are first steps in meeting the public’s need for information, providing masses of data may frustrate citizens rather than satisfy their quest for information. Jonathan Walters, writing in *Governing*, notes that “for all their charts and graphs, CAFRs don’t tell public officials—or the public—anything about fiscal sustainability or whether a locality’s finances might be trending south.”

A 2011 report by the Lyndon B. Johnson School of Public Affairs notes, “If the data cannot be used meaningfully, then it is not truly transparent. Additionally, data that is unreadable, unusable, unappealing, or unwanted by the public does little to contribute to improving government’s transparency.”

People want more information from and about their government.

Taxpayers want to know that their money is spent wisely and well. Everyone has a legitimate interest in being able to access useful, public information held by government agencies. With the advent of the internet, though, expectations about the speed of response, along with the kinds and amount of available information have outpaced the ability and sometimes the willingness of businesses and government agencies to provide it. From the private sector, people want to know how safe and effective products and services are, for example, the source and content of their food, where waste is disposed of and what’s in it, and the benefits and risks of everything from medications to hygiene products to alternative fuel sources. From the public sector, people want to know how their tax dollars are used, but also may want to know about safety of nursing homes or professional license revocations. From both the public and

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private sectors, citizens want the ability to transact business, whether ordering products or services or applying for and receiving permits or licenses. Such raised expectations have led to a government transparency movement across our nation with a particular focus on availability of fiscal information.

Much of the focus on government transparency has come from organized groups that want greater access to government records for various reasons—media, taxpayer organizations, political parties, social justice advocates, public policy researchers, and business people. In late 2009, researchers for the Pew Internet and American Life Project found that 40% of internet users had gone online in the past year to look for government information. The most common items sought were information on stimulus spending and legislation.¹

Advocates believe government transparency makes public officials more accountable simply because they are aware that others could be checking on them. External groups, however, are not the only ones who believe greater transparency is beneficial. Some government officials who have established greater transparency believe that it helps improve efficiency by freeing employees from having to respond to requests for various kinds of information. A report by the Mercatus Center of George Mason University cites a statement by Texas Comptroller Susan Combs in which she estimates that her state's transparency initiative has saved the state over \$5 million by facilitating the discovery of wasteful duplicative contracts for express mail, printer toner, and other goods and services that were later consolidated and renegotiated.²

Making more information available may illuminate government workplace practices as well. For example, although providing access to employee salary information may be of interest to outside observers, it may also help combat discriminatory workplace practices.

The concept of transparency, though, is not without critics. Some question how widely citizens use the information once it's made available and whether having the information available increases satisfaction with government. Pam Greenberg, writing in *State Legislatures*, cites a report by the Pew Center on the States that found that while greater access had improved citizen's attitudes toward the federal government's openness and accountability, it had not engendered greater trust in government overall. Increased accessibility to data did not tend to change a person's previous attitudes about government. Greenberg also quoted Robert Horton, the Minnesota state archivist, who indicates that government officials are writing less down, perhaps an unintended consequence of greater transparency.

Improving government transparency requires coordination, resources, and improvements in technology. Communities and their leaders must consider what information is needed most

¹ <http://www.pewinternet.org/Reports/2010/Government-Online/Part-Four.aspx?r=1>

² Brito, 2009.

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and how it can best be found and displayed for people who are unfamiliar with government organization, terminology, and processes.

Tennessee's state and local governments exhibit a wide variety of websites and information. Some are easy to use and understand; others are not. Some of Tennessee's local governments do not yet have websites. Some local governments' sites are hosted by entities such as chambers of commerce.

Tennessee's State Open Government Website

Tennessee launched its "Open Government" website during the administration of Governor Phil Bredesen (see image below). Additional information sought by transparency advocates can be found on the state's main page at *TN.gov*. Governor Bill Haslam's staff indicate plans to release a new version of the transparency portal in early 2014. According to John Chobanian, Director of Strategic Marketing and Innovation in the Governor's Office, they have been waiting for the release of business intelligence capabilities that recently became available for the state's information system.

The screenshot shows the Tennessee Open Government website. At the top, there is a header with the Tennessee state seal and the text "Open Government" on the left, and a portrait of Governor Bill Haslam with the text "GOVERNOR Bill Haslam Visit Bill's Web Site" on the right. Below the header is a search bar. The main content area is divided into several sections:

- Transparency in Government:** A central banner featuring a pie chart with four segments labeled 20%, 20%, 20%, and 40%. Below the chart is the text "Committed to Open Government and Public Access to State Spending Data".
- Vendors:** A section titled "View state contract expenditures by quarterly information or by agency." with links for "Vendor Payments", "Service Contract Requests for Proposals", and "Other Bids Listed".
- Salaries:** A section titled "State employee salary information provided and updated regularly." with a link for "Employee Salary Information".
- Audits:** A section titled "Performance and financial audits involving state and local governments." with links for "Audits and Reports" and "Fraud Waste and Abuse".
- Public Opportunities:** A section titled "Meetings, public hearings, and other opportunities for input in state policy-making." with links for "Public Meetings", "Open Records Counsel", and "How are we doing?".

On the left side, there is a navigation menu with links for Vendors, Salaries, Audits, Public Opportunities, Annual Financial Reports, Budget, Reimbursements, Tax Information, Open Records Counsel, Newsroom, Sitemap, and Contact Us. Below the menu are "Related Topics" including Comptroller of Tennessee, Department of Revenue, and TN Recovery.

On the right side, there is a "Featured Sites" section with links for TN Recovery and Open Government, and a "TN.gov Services" section with links for Renew Driver License, Renew Health License, Renew Professional Non-health License, Reserve at State Parks, and a "More" link.

At the bottom of the page, there is a footer with links for TN.gov Services, TN.gov Directory, Web Policies, Accessibility, Web Awards, Survey, TNRecovery.gov, and Open Government.

Source: <http://www.tn.gov/opengov/> (accessed July 25, 2013)

As of July 2013, these features were available directly on Tennessee's Open Government site or indirectly through links from the site:

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- Availability from state's homepage
- Vendor payments
- Current expenditures
- Comprehensive Annual Financial Report (CAFR)
- Budget (current and historical)
- Links to audits
- Accessibility statement
- Information on public records
- State employees' salaries
- Feedback method

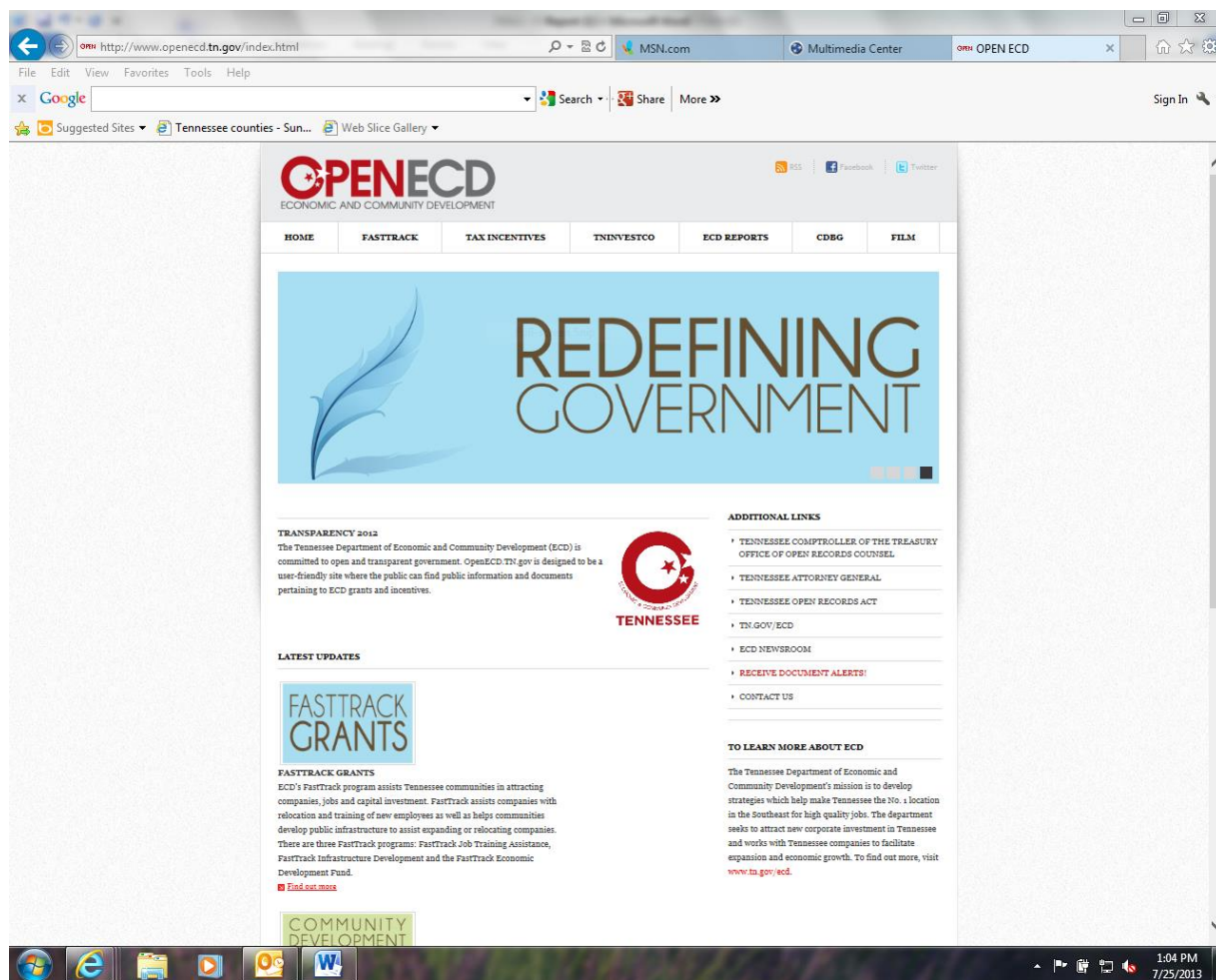
In contrast to some other states' transparency sites, however, Tennessee lacks these features:

- Higher education
- K-12 education
- Searchability of checkbook
- Downloadability
- Explanatory visual aids such as graphs and charts
- Performance results—Although some selected performance information can be found at the Tennessee Data Dashboard (<https://www.tn.gov/governor/dashboard.shtml>), it is accessible from the governor's page, not from the homepage or Open Government page.
- Local government links

Tennessee's Open Government site is administered by the Department of Finance and Administration. Most of the information on Tennessee's Open Government website is updated monthly or quarterly. In contrast, some comparison states' transactions are updated daily.

In addition to the Open Government site, the Department of Economic and Community Development has recently established its own "transparency" site called OPENECD, which includes information about tax credits and subsidies but is not linked to the main Open Government site (see image below).

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Source: <http://www.openecd.tn.gov/> (accessed July 25, 2013)

Tennessee's Local Government Websites

Tennessee's local governments range from large sophisticated cities to small towns. The transparency of these local governments—and possibly even the need for it—varies as much. A few local governments, such as Knox, Williamson, and Wilson counties, garner high transparency ratings from national organizations. Others offer little or no information. Several local governments still lack a website. In contrast to the state government, Tennessee local governments' ability to provide online information may be hindered by such basic resources as connectivity and trained staff. A recent report from the Bureau of Census indicates that Tennessee has one of the lowest levels of connectivity nationwide.³

³ File, 2011.

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In some very small local governments, citizens and local officials might even question the need for more online transparency, since interaction between citizens and public officials often is still face-to-face.

To get a sense of Tennessee's local government websites, TACIR staff selected a sample of cities, counties, and school systems. Staff reviewed the websites of 15 Tennessee counties, 5 from each grand division including 1 urban, 2 medium-sized counties, and 2 small counties; 33 Tennessee cities of various sizes, 9 in East Tennessee, 13 in Middle Tennessee, and 11 in West Tennessee. Staff also reviewed the websites of 17 Tennessee school systems.

Of the 15 counties reviewed, 14 have a county website, although some are hosted by a local organization such as the chamber of commerce rather than the government. Knox County was the only one reviewed with an actual "open government" portal.⁴ The Knox County site features many types of information including "checkbook level" expenditures for some purchases, an audit hotline, capital road projects, and contracts awarded. Several counties posted information about their county commission members and meetings. Some had links to documents such as budgets or audits.

⁴ http://www.knoxcounty.org/open_gov/

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Table 1. Summary of County Website Review⁵

Feature	Number of Counties Exhibiting
Meeting Notices	12
Agendas	10
Minutes	10 (1 non-working link)
Searchable Website	6
Downloadable Data	1
Expenditures-Current	7
Expenditures-Historical	6
Graphs and Charts	6
Check Register	1
Revenues	7
Contracts	3
General Contract Information	4
Bids/Procurement Information	5 (1 non-working link)
Tax Exemptions	0
Grants	1 partial
Subsidies/Tax Credits	0
Budget-Current	9
Budget-Historical	8
Method for Feedback	9
Audits (or link)	7
Annual Financial Reports (or link)	5
Building Permits	7
How to Request Public Records	4
Accessibility provisions	5

In all, 9 of the 33 cities reviewed had no website. Although all of the cities without a website were smaller, population did not correlate to website availability completely. For example, Lynnville, with a population of 287 had a site, while Huntingdon with a population of 3,895 did not.

⁵ The following counties were selected: Grainger, Polk, Sevier, Roane, Knox, Hickman, Williamson, Wilson, Davidson, Decatur, Lake, Tipton, Dyer, Madison, and Shelby.

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Table 2. Summary of City Website Review

Feature	Number of Cities Exhibiting
City Charters (or link)	20
Minutes	14
Meeting Notices/Agendas	12
Budget-Current	9
Budget-Historical	5
On-line service requests	8
Financial Reports/Audits- Current	7
Financial Reports/Audits- Historical	6
Bids/Procurement Information	6
Visual Aids such as Graphs and Charts	3
Check Register	1 (1 month only)
Contracts	0

According to the Tennessee Department of Education’s general counsel, there are no specific laws or guidelines that affect transparency of Tennessee’s school systems, although they must comply with general requirements such as the Open Meetings Act and Public Records Act. Of the 17 school system websites reviewed, all had a website, although one would not open. Most provided information about their system’s school board members and administrative officials. About half of the systems provided information about school board meetings. Academic information was readily available on 11 school system websites.

Table 3. Summary of School System Website Review

Feature	Number of School Systems Exhibiting Feature
Had a website	17 (1 would not open)
System Administrators	15
School Board Members	15
Board Meeting Time/Place	12
Board Meeting Agendas	8
Board Meeting Minutes	8
Academic Performance Information	11
Budget or Financial Statements- Current	6
Budget or Financial Statements- Historical	3
Criminal Background Check Information	4
Audits	4 (3 were special audits)
Public Records Request Procedures	0
Teacher Contracts	0
Bids/ Procurement Information	2
Tax Burden	0

Current Law

Tennessee’s General Assembly has not passed legislation specifically addressing government transparency, but various statutes address what must, may, and cannot be disclosed to the public. The most general of these, the Public Records Act, provides broad guidance, but many departments have specific statutes that determine what they must make available to the public. Federal laws also affect website content to some extent.

State Laws—Access to Government Information

Tennessee’s Public Records Act

Tennessee first passed open records legislation in 1957 (Public Chapter 285). Tennessee Code Annotated Section 10-7-503(a)(2)(A) directs that

All state, county, and municipal records shall, at all times during business hours, . . . be open for personal inspection by any citizen of this state, and those in charge of records shall not refuse such right of inspection to any citizen, unless otherwise provided by state law.

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In addition, the law applies to all records, regardless of how they are stored. Tennessee Code Annotated Section 10-7-301(6) defines public records as

all documents, papers, letters, maps, books, photographs, microfilms, electronic data processing files and output, films, sound recordings, or other material, regardless of physical form or characteristics made or received pursuant to law or ordinance or in connection with the transaction of official business by any governmental agency.

In a 2013 ruling in the case *McBurney v. Young*, the United States Supreme Court ruled that certain states, including Tennessee, do not have to honor public records requests from non-residents.

Specific departmental statutes

Although the Public Records Act is the primary statute affecting disclosure of public information, the code contains references throughout various departments' laws that pertain to specific types of information. Some of these require certain types of information to be posted on the state's website. Below are examples:

- **Department of Finance and Administration:** out-of-state travel and expense reimbursements of the governor, cabinet members, and staff (Section 4-3-1010)
- **Department of Economic and Community Development:** grants and loans to businesses (Section 4-3-717)
- **Secretary of State:** effective rules and regulations of all agencies (Section 4-5-220)
- **Department of General Services:** single public internet procurement website including a database of established contracts (Section 4-56-105)

Restricted information

Some public records are not subject to disclosure. Tennessee Code Annotated Section 10-7-504 specifically excludes items such as documents in active criminal cases, records sealed by protective orders, medical records of patients in government-run hospitals, and documents held by the Department of Military that could affect national security. Other confidential items are named in various parts of the code. Tennessee Code Annotated Section 4-3-730, for example, protects proprietary information and trade secrets held by the Department of Economic and Community Development. Certain federal laws such as the Family Educational Rights and Privacy Act (FERPA) and the Health Insurance Portability and Accountability Act of 1996 (HIPAA) further restrict the release of certain information.

Open Records Counsel

In 2008, the General Assembly passed Public Chapter 1179 creating the Office of Open Records Counsel in the Office of the Comptroller of the Treasury to answer questions and provide

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information to local government officials and the public regarding public records and open meetings.⁶ The State Attorney General provides open records counsel to the various state departments.

Federal Laws

Federal Funding Accountability and Transparency Act

In 2006, the US Congress passed the Federal Funding Accountability and Transparency Act.⁷ Its purpose was to make federal expenditure data available to the public in a searchable database. The act resulted in the creation of a federal spending transparency website, *USASpending.gov*.⁸ It has provided a model for states to follow in establishing their own transparency sites.

*American Recovery and Reinvestment Act of 2009 (ARRA)*⁹

The American Recovery and Reinvestment Act of 2009 prompted unprecedented reporting of financial information by recipients. In order to receive ARRA funds, states were required to report every January, April, July, and October. Tennessee's site can still be found at <http://www.tnrecovery.gov/> although the spending reports have not been updated since May 2012.

Ryan Holeywell, writing in *Governing*, notes

Many states launched or enhanced their open government initiatives around the same time as the stimulus, drawing on both the lessons learned and technical know-how they developed as they implemented the heightened federal reporting requirements that came with ARRA. It's an impact that seems to excite watchdogs and works more than the politicians who bicker over the economic impact of the spending.¹⁰

Freedom of Information Act (FOIA)

The federal government passed the Freedom of Information Act (FOIA) in 1966 to enable any person to request, without explanation or justification, access to existing, identifiable, and

⁶ See Tennessee Code Annotated Title 8, Chapter 44, Part 1, for requirements of the Tennessee Open Meetings Act.

⁷ See <http://www.gpo.gov/fdsys/pkg/BILLS-109s2590enr/pdf/BILLS-109s2590enr.pdf>

⁸ See <http://usaspending.gov/>

⁹ <http://www.gpo.gov/fdsys/pkg/BILLS-111hr1enr/pdf/BILLS-111hr1enr.pdf>.

¹⁰ <http://www.governing.com/topics/mgmt/gov-did-the-stimulus-do-anything-for-transparency.html>

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unpublished executive branch agency records. The FOIA itself, however, does not apply directly to state and local governments. The FOIA exempts nine categories of records including certain information classified secret for national defense or foreign policy purposes, certain trade secrets and commercial or financial information, and geological and geophysical information and data.¹¹

What are others doing?

National Organizations

At least five national organizations focus on various aspects of government transparency. Three rate states' websites according to features that match each organization's criteria for transparency: the US Public Interest Research Group (US PIRG), the Sunshine Review,¹² and Digital States. The other two, the Sunlight Foundation and the Association of Government Accountants, have promulgated useful transparency standards but do not rank states. In addition, the American Legislative Exchange Council (ALEC) has promulgated model transparency legislation.

US PIRG addresses the transparency of states and very large cities but not counties or school districts. US PIRG has developed a set of criteria for government websites referred to as "Transparency 2.0." To score well, government websites must provide a user-friendly portal to search detailed information about government contracts, spending, subsidies, and tax expenditures for all government entities. They must also allow users to track online how well public officials respond to requests about quality-of-life services. US PIRG strongly emphasizes "checkbook" level spending. Users must be able to search all government expenditures on a single website and sort government spending data by recipient, amount, granting agency, purpose, and keyword. Users must also be able to download data to conduct detailed offline analyses.¹³

US PIRG's 2013 publication, *Following the Money: How the 50 States Rate in Providing Online Access to Government Spending Data*, gives Tennessee a C and lists it among "emerging states, an improvement over its 2012 score."¹⁴ Only Texas received an A from this organization; Kentucky, Massachusetts, Florida, Illinois, Michigan, and Oklahoma received A-minuses. Comments for Tennessee indicate that its website received credit for "grants and economic development incentives" because incentives awarded to private entities are included. (These

¹¹ 5 U.S.C. §552(b).

¹² Note that effective July 1, 2013, the Sunshine Review merged with Ballotpedia.

¹³ US PIRG Education Fund, *Transparency in City Spending: Rating the Availability of Online Government Data in America's Largest Cities*, 5.

¹⁴ <http://www.uspirg.org/sites/pirg/files/reports/Following%20the%20Money%20vUS%20WEB.pdf>

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features can be found on the webpage of the Department of Economic and Community Development, however, and are not clearly linked from the homepage.) The state’s website received one point for “feedback” because visitors are invited to give feedback, but contact information is not provided. US PIRG’s ratings for all states are shown in table 4.

Table 4. US Public Interest Research Group’s Leading, Advancing, Emerging, Lagging and Failing States-2013

Category	Transparency Grade	States
Leading states	A	Texas
	A-	Kentucky, Massachusetts, Florida, Illinois, Michigan, Oklahoma
Advancing states	B+	Oregon, Utah, Nebraska
	B	Arizona, Iowa, Pennsylvania
	B-	Washington, New Hampshire, Virginia
Emerging states	C+	Georgia, Vermont, Connecticut, Indiana
	C	Missouri, West Virginia, Maryland, Mississippi, New Mexico, New York, South Carolina, Tennessee , Idaho, Louisiana, Minnesota, New Jersey, South Dakota
	C-	Arkansas, Kansas, Alabama, Maine, Delaware
Lagging states	D+	Alaska, Nevada, Ohio, Colorado
	D	North Carolina, Montana
	D-	Rhode Island
Failing states	F	Wyoming, Wisconsin, Hawaii, California, North Dakota

Source: US PIRG. 2013. Following the Money 2013: How the 50 States Rate in Providing Online Access to Government Spending Data.

In 2012, US PIRG rated 30 of the nation’s largest cities using criteria similar to its state government study and praised websites that were “encompassing, one-stop, and one-click.” Unfortunately, because of the method by which the cities were selected, none of Tennessee’s cities were included. Nevertheless, some of the report’s findings are instructive for Tennessee cities. The report focuses on city government interactions with non-government entities: contracting, subsidies, financing, and service requests.

The Sunshine Review also rates all states on government transparency. In 2013, the review gave Tennessee’s state government a B noting that information was available in the categories of budget, usability, elected officials, administrative officials, ethics, audits, public records, and taxes. The Sunshine Review checklist includes

- current budget information,

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- minutes of open meetings,
- elected officials' voting records,
- building permit and zoning information,
- audit reports,
- contracts for purchases over \$10,000,
- tax documents for all elected officials,
- agencies revenue sources,
- government expenditures,
- contracts, and
- grants and assistance.

Tennessee received ratings of "incomplete" for information about contracts and lobbying. States earning the highest grades were California, Illinois, Maryland, Pennsylvania, and Washington. California's governor, however, has since removed its transparency website and refers visitors to various state departments for information.^{15 16}

In May 2013, the Sunshine Review evaluated the websites of the five largest counties in each of the 45 states that have active county governments. Tennessee's counties averaged a B-minus, although individual county scores ranged from A-minus (Knox and Shelby) to a D (Rutherford).

Davidson	B-
Hamilton	C-
Knox	A-
Rutherford	D
Shelby	A-

In 2009, the Sunshine Review evaluated all Tennessee counties and awarded grades ranging from A-minus to F. Only 14 Tennessee counties scored a C or better; the majority received Fs. Shelby County was the only county to receive an A-plus; Knox and Wilson each received an A-minus.¹⁷

¹⁵ http://sunshinereview.org/images/o/o6/2013_Transparency_Report_Card.pdf

¹⁶ Executive Order B-12-11 found at <http://gov.ca.gov/news.php?id=17274>

¹⁷ http://sunshinereview.org/index.php/Evaluation_of_Tennessee_county_websites.

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The Sunshine Review's 2013 report on school districts concludes that nationwide "school districts have the most dismal grades with just 20% of school districts scoring a B or above." That organization's criteria for items included on a school district's website are similar to those identified for other types of governments:

- Taxes
- Budget
- Meetings
- Elected Officials
- Administrative Officials
- Contracts
- Audits
- Public Records
- Academics
- Background Checks

In May 2012, the Sunshine Review rated Tennessee's 11 largest school systems. Scores ranged from Bs (Hamilton, Knox, Montgomery, Shelby, and Sumner) to Fs (Jackson-Madison and Memphis).¹⁸ Metropolitan Nashville, Rutherford County, and Williamson County school systems received Cs.

The Sunlight Foundation, another organization that advocates for openness in government has developed ten principles to empower the public's use of government-held data:

- **Completeness**—Datasets should be as complete as possible including raw information (except if prohibited by law), formulas, and explanations for calculations.
- **Primacy**—Data should be the original data collected along with original source documents.
- **Timeliness**—Datasets should be released as quickly as it is gathered and collected with real-time updates.
- **Ease of physical and electronic access**—Data should be easy to obtain, whether physically or electronically, without specific requests or use of browser-oriented technologies.
- **Machine readability**—Information should be stored in widely used file formats that easily lend themselves to machine processing.

¹⁸ Memphis City Schools merged with Shelby County Schools effective July 1, 2013.

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- Non-discrimination—Any person should be able to access data at any time without having to provide identification or justification.
- Use of Commonly Owned Standards—Using freely available formats that do not require a software license can make data available to a wider pool of potential users.
- Licensing—Public information should be clearly labeled as work of the government and available without restrictions.
- Permanence—Information released by the government should remain online, with appropriate version tracking and archiving over time.
- Usage Costs—Imposed fees for access should be avoided so as not to limit the pool of those willing or able to access information.¹⁹

The Sunlight Foundation does not rate or rank states' transparency.

The 2012 Digital States Survey, administered by e.Republic's Center for Digital Government, evaluates states against criteria including "implementations that support state priorities and policies to improve operations or services, quantifiable hard and soft-dollar savings or benefits, progress over the last two years, innovative solutions or approaches, and effective collaboration." This rating organization gave Tennessee a grade of A-minus, up from a B-plus in 2010. Michigan and Utah were the only two states to receive an A.²⁰ The Digital States Survey, however, emphasizes factors somewhat different from those of the US PIRG and the Sunshine Review.

The Association of Government Accountants (AGA) focuses primarily on presentation of financial data. AGA has promulgated four basic guidelines for government financial statements. They should be

- clear and understandable,
- updated regularly and often,
- delivered to all and easy to locate, and
- honest in breadth and technically accurate in detail.

AGA has also developed a "Citizen-Centric" report model for presentation of public financial information.²¹ The Citizen-Centric reports are four pages arranged as follows:

¹⁹ Sunlight Foundation. Ten Principles for Opening Up Government Information. 2010. <http://sunlightfoundation.com/policy/documents/ten-open-data-principles/> (accessed March 13, 2013).

²⁰ <http://www.centerdigitalgov.com/survey/61/2012>.

²¹ [http://www.agacgm.org/Tools---Resources/Citizen-Centric-Reporting-\(CCR\).aspx](http://www.agacgm.org/Tools---Resources/Citizen-Centric-Reporting-(CCR).aspx) and <http://www.agacgm.org/AGA/ToolsResources/CCR/ContentGuidelines.pdf>.

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Page 1: Strategic Objectives. This page addresses what the government is chartered to do and includes demographics about the government entity such as per capita income, number of government workers, unemployment rates, and ingress and egress of people and firms.

Page 2: Performance Report on Key Missions and Service. This page addresses key responsibilities, services, and progress toward desired outcomes.

Page 3: Costs for Serving Citizens and How Paid For. This page includes revenue and cost information and combines this information with some of the measures from page 2 to get costs per capita for various services.

Page 4: Challenges Moving Forward. This page includes items specific to a particular community such as tax cuts or increases, changes in major employers, infrastructure items, etc.

In 2008 and 2010, AGA commissioned surveys on public attitudes about government accountability and transparency. The AGA cites a need for improved interpretation of government financial reports for the public:

Identified problems with governments' desire to share information and their competence in actually doing so has resulted in a system at federal, state, and local levels that disappoints and breeds mistrust. The implication is clear—traditional forms of communicating financial information to taxpayers is not working . . . traditional government financial communications—reams of audited financial statements that, though essential, have little relevance to the taxpayer—must be supplemented by government financial reporting that expresses complex financial details in an understandable form.²²

Other States

As of May 31, 2013, the National Conference of State Legislatures (NCSL) indicates that 35 states have passed legislation requiring a central, searchable website that provides public information about state expenditures or state contracts.²³ The others, including Tennessee, have voluntarily moved toward greater transparency without a specific law or directive.

²² <http://www.agacgfm.org/AGA/ToolsResources/CCR/pollreport2008.pdf> and <http://www.agacgfm.org/AGA/ToolsResources/CCR/SurveyWhitePaper10.pdf>.

²³ National Conference of State Legislatures. "State Transparency/Spending Websites and Legislation," <http://www.ncsl.org/issues-research/telecom/statewide-transparency-spending-websites-and-legis.aspx> (accessed March 12, 2013).

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TACIR staff reviewed the transparency legislation and websites of the seven states that had achieved an A or A-minus by US PIRG: Texas, Florida, Illinois, Kentucky, Massachusetts, Michigan, and Oklahoma. All had transparency legislation, but the actual websites exceeded the legislation in what was presented. Table 5 summarizes common characteristics.

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Table 5. Transparency Features for Seven Comparison States and Tennessee

Feature	Number of Comparison States Exhibiting Feature	Does Tennessee have this?
Single Transparency Site	4	no
Available on State's Homepage	4 (1 more from Gov's page)	yes
Searchable	7	no
Downloadable	6	no
Expenditures-Current	7	yes
Expenditures-Historical	7	yes
Graphs and Charts	7	no
Check Register Level Information	7	yes
Revenues	6	yes (in CAFR)
Contracts	6	no
Tax Credits & Exemptions	6	yes, but not linked
Grants	1	no
Budget-Current	7	yes
Budget-Historical	7	yes
Employee Salaries	6	yes
Links to City & County Spending	3 (1 more in progress)	partial
CAFR	7	yes
Higher Education Included	3 (2 partial)	no
K-12 Education Included	3 + 1 partial	no
Feedback Method	7	yes
Public Records Request Info.	5	yes
Lobbyists	4	yes (from home page)
Leases & Concessions	0	no

The review of these seven states and their sites revealed other characteristics that might inform Tennessee policy makers:

- Florida and Illinois had multiple transparency websites operated by different public officials. Illinois successfully linked their two sites (legislative and executive), while Florida's four sites were extremely confusing for those unfamiliar with how the state and its websites are organized.
- Two of the sites could not be found easily from the state's home page; three had to be accessed from the Governor's page.

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- In five states, the sites were run by the executive branch. Kentucky's is a joint effort of all three branches of government; Illinois links executive and legislative branches together.
- Two states, Florida and Texas, had advisory committees

Some states have specific transparency requirements for school systems. For example, Texas, which has extensive transparency requirements for all levels of governments, includes its school districts in its general transparency law.²⁴ The Texas School Boards Association publishes a manual to help school districts comply with transparency laws. The manual's introduction summarizes the requirements:

School boards, must post all of their governance policies on line, regularly provide parents with information about their children's and schools' academic performance, and provide the public with a myriad of notices about the financial status of the district. Furthermore, districts must report hundreds of detailed academic, financial, demographic, and personnel data to the Texas Education Agency (TEA), which are posted for public scrutiny on TEA's website.

Michigan's Revised School Code Section 380.620 requires intermediate school districts²⁵ to post a long list of items on their websites including budgets; numbers of students and employees; numbers of public school academies and nonpublic schools; travel expenses of administrators and board members; contracts; payments for lobbyists, legal services, and public relations; and administrative costs.²⁶

What does the proposed legislation require?

The 107th General Assembly referred two government transparency bills to the Commission for study. **Senate Bill 2831 (Ketrone) [House Bill 3327 (Carr)]**, known as the Taxpayer Transparency Act, would require the state Department of Finance and Administration to create and maintain a searchable budget database website detailing where, for what purpose and what results are achieved for all taxpayer investments in state government. Specifically, the state would be required to post on its website

- all elective offices in the executive and legislative branches of government;

²⁴ See Texas Code, 552.003.

²⁵ In the early 1960s, Michigan encouraged small county districts to merge with larger ones. Today the state has 56 intermediate schools districts, many of which comprise two or more former county districts. See <http://wash.k12.mi.us/adminandcommdept/stateisdlist.php>.

²⁶ [http://www.legislature.mi.gov/\(S\(n1uboj454brddsicrkl0ej55\)\)/mileg.aspx?page=getobject&objectname=mcl-380-620](http://www.legislature.mi.gov/(S(n1uboj454brddsicrkl0ej55))/mileg.aspx?page=getobject&objectname=mcl-380-620)

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- higher education;
- state departments, offices, boards, commissions, bureaus etc. including those that cross agency lines;
- identity of recipients of funds (excluding individual recipients of state assistance);
- amount expended, funding or expending agency;
- funding source of revenue;
- budget program or activity, purpose;
- expected performance outcome, past performance outcomes achieved for funding action or expenditure;
- any state audit or report relating to the entity or recipient of funds; and
- other relevant information specified by the Department of Finance and Administration.

This bill was referred to the Commission by the Senate Finance, Ways and Means Committee.

Senate Bill 2832 (Ketrone) [House Bill 3328 (Carr)], known as the Local Government Transparency Act, would require each county, city, and school system to have a single, searchable expenditure and revenue database accessible from the main website page that includes

- contact information for all elected and appointed officials;
- annual budget ordinances and appropriation ordinances;
- procedures for building permits and zoning variances;
- budgets, audits, CAFRs, performance audits, reports, including actual revenues and expenditures for previous fiscal year;
- sources of revenue (local, state, federal,);
- types of expenditures (current, operating, capital and debt service,);
- per-resident expenditures compared to other local governmental bodies;
- for school districts, a per-pupil calculation based on full-time equivalent enrollment;
- detailed list of taxes and fees;
- ordinances, resolutions and rules governing award of bids and contracts of \$25,000 or more; and
- all bids and contracts in the amount of \$25,000 or more.

This bill was referred to TACIR by the House State and Local Government Subcommittee.

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The sponsors indicate that both bills were based on model legislation by the American Legislative Exchange Council. The ALEC bills, however, include requirements beyond those in the proposed legislation.

Higher Education

Tennessee's proposed Taxpayer Transparency Act included higher education in its requirements. Although some states have successfully included higher education in their open government websites, incorporating higher education information into Tennessee's Open Government site would present significant challenges.

Dale Sims, vice president for business and finance for the Tennessee Board of Regents (TBR) indicates that each of the 6 TBR universities and 13 community colleges has its own information system, which includes modules for human resources, payroll, finance, students, and financial aid. These systems do not include contracts. In addition to the universities and community colleges, the 27 Tennessee Colleges for Applied Technology (TCATs) have various administrative affiliations with community colleges that act as their lead institutions for functions such as payroll, vendor payments, and budget preparation. Additionally, the TCATs have separate student information systems hosted by a software provider; the lead institutions play no role in this aspect of TCAT operations. Sims indicates that they hope to centralize the system at some point.

The University of Tennessee (UT) has fewer institutions and handles more financial information centrally than does TBR. Charles "Butch" Peccolo, the university's chief financial officer, indicates that all of its campuses use the same enterprise system, although it does not include student or alumni donor information. Contracts also are not online.

What makes for a good open government website?

Websites are a tool that governments can use to communicate with the public. A good government website should reflect the overall functions, responsibilities, and performance of the government. In presenting that information, however, officials responsible for the website should strive to determine what information people want most and then present it in a way that facilitates access and understanding. Websites should be comprehensive, understandable, and usable, but implemented with the least possible cost.

Comprehensiveness

Decisions about what and how much information to include on government websites should be based on community needs and the desire of others to know what their governments do and how they are funded. Ideally, information should be complete, accurate, timely, and reflect the crucial functions of each particular government. Websites of large governments with many people and functions need to be more complex; smaller governments with fewer people and functions need to be simpler. Websites typically might include

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- financial information such as taxes, expenditures and budgets,
- Information about governing bodies—members, where and when they meet, agendas and minutes,
- regulatory information if applicable, such as inspection reports and disciplinary actions, and
permits and fees—requirements, costs, instructions to obtain.

Understandability

Although posting complex government documents is a step in the right direction, officials should consider whether ordinary people can understand the content. More information does not necessarily create transparency. Explaining how to use these documents and providing illustrative aids such as maps, tables, and graphs can help users better understand the information that is presented. Using plain language, defining terms, illustrating how to use the website and access information is essential to making it easy to understand.

Usability

Government websites need to be “user-friendly” and make sense to people who don’t work within government and may be unfamiliar with the structure and responsibilities of all of the agencies and departments. Ideally, users should be able to see what is available easily and navigate to what they want with as few clicks as possible. Douglas County, Colorado’s site is an example of an A-plus local government website on the Sunshine Review scale. The county’s website has a tab on its home page called “Transparency” which leads to a page with a row of tabs clearly labeled “Financial, Land Use, Public Meetings, Community Connections, Lobbying, Elections, Open Records and Policies.”²⁷

It’s important to remember that usability is in the eye of the beholder. For example, if someone wants to know the number of traffic fatalities in a given year, it is more user-friendly to give them the total than to give them access to a list that they would need to total themselves. On the other hand, if a researcher wants to analyze traffic fatality data for causes and location, a simple total isn’t sufficient.

Cost

The cost to improve government transparency in large part depends on what information is already collected, the sophistication of websites, and how much effort is needed to add and maintain information. According to a recent survey by the National Association of State Auditors, Comptrollers, and Treasurers (NASACT) and Oracle, many state and local governments are still using old, “siloes” information technology systems and antiquated

²⁷ See <http://www.douglas.co.us/transparency/>

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manual methods. To make matters worse, recent budget reductions have hampered their ability to modernize these systems.²⁸

Although some states have incurred large costs to make transparency a priority, others, including Tennessee, have increased government transparency incrementally without incurring large additional costs. The US PIRG survey found costs ranging from \$0 to \$400,000. The Mercatus Center of George Mason University estimates the average actual cost for state spending-transparency websites at \$140,000. Likewise, the cost for local governments varies widely. According to US PIRG, Baltimore and San Francisco—two cities rated as comprehensive and user-friendly—spent \$24,000 and \$30,000 respectively, while Sacramento and Seattle spent \$50,000 and 45,000 respectively.²⁹

States and their governments are not alike. Consequently, policy makers should use caution in comparing states without considering other factors. For example, Arizona has a state-level audit division devoted solely to annual school district audits and provides standard information about school spending.³⁰ States without that function cannot do that. Similarly, states that adopted and implemented performance based budgeting have processes in place to generate outcome data that Tennessee does not.

Policy makers also may need to consider what other government services they must give up to provide increased public access to various public records. The director of Colorado's Statewide Internet Portal Authority, cited in *Governing*, puts it this way:

The average citizen would think these are fundamental services that governments already are supplying and funding. But if you're doing zero-sum budgeting, even small amounts of technology spending mean a city council may need to cut somewhere else.³¹

The sophistication of a government's website may also be a factor. Although probably not an impediment for the state government, some of Tennessee's smallest counties and municipalities lack both websites and staff and face greater challenges when implementing government transparency laws. The cost of transparency includes website development and staff to make it more generally understandable and keep it current.

Cost alone should not be the only consideration. Benefits, including cost savings, should be considered as well. Montgomery County, Maryland, an urban county located between Washington, D.C. and Baltimore, recently announced a comprehensive initiative to place

²⁹ US PIRG 2013, p. 10.

³⁰ For more information, see Arizona Auditor General, Division of School Audits, <http://www.azauditor.gov/pastDSA.htm>.

³¹ Towns, 2011, p. 1.

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several kinds of public information online, including employee salaries, annual budgets, and property tax data. Officials hope to spur commerce by providing companies with greater information and make it easier for residents to reach county agencies. Projected costs for the Montgomery County effort include \$1 million in start-up costs and \$700,000 annually to maintain.³²

What are the options?

Alternatives for improving government transparency can be seen as a continuum from modest, voluntary alterations to comprehensive, mandatory changes. The appropriate option for any given community will depend on the size and complexity of their government, the services it provides, and the resources available to change the information reported. It will also depend on the needs and wishes of the community. Different communities may want more or less and therefore be willing to spend more or less. Those aspiring to meet standards set by national organizations such as US PIRG will want to go beyond the alternatives submitted here.

Allowing the state and local governments to continue making incremental changes as they can is an option. Many have improved transparency without being required to do so. Transparency can and has been adopted voluntarily as a goal in concert with other planning efforts while improving processes and information technology systems. It's reasonable to expect that many government agencies will continue to improve transparency, but these improvements will likely be inconsistent across the state. Tennessee's website may continue to fall in the mid-range of states for transparency and our local governments' transparency efforts may continue to run the gamut from well-developed transparency portals to no website at all. Functionality and usefulness will vary greatly. Taking this approach, however, would require no additional spending and would leave decisions about improving transparency to communities and their leaders.

Stakeholder Task Force

Since different users want and need different types of information from and about the government, it would be beneficial for the state to create a statewide stakeholder task force to define standards and advocate for transparency in Tennessee. While implementation of the standards would be voluntary, they would create a yardstick that allows communities to measure the adequacy of their transparency efforts. The task force should include representatives of various interests, such as citizens, businesses, educational institutions, interest groups, and all levels of government to ensure that any guidelines adopted will include the full range of information that people want. It should also include information technology professionals so that system capabilities and limitations are fully considered. This task force need not be permanent, but other states, including Utah, Florida, and Kansas, have permanent

³² Zapana, p.1

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oversight boards or advisory committees to govern their transparency efforts. Such boards usually include the heads of agencies responsible for the website and its content. The Kansas advisory committee also includes members of the public.

While most transparency advocates focus on financial information, the task force should ask what other information people want or need. People concerned about growing rates of incarceration, for example, might seek data on sentencing and commitments to prisons. Environmentalists might seek pollution data. Business people dependent on tourist dollars might seek visitor data. Many kinds of information maintained by governments may be sought by the public for a variety of reasons. In short, all entities funded with public funds and performing functions on behalf of the public have some obligation for transparency.

Depending on the effectiveness of the group and the inclination of governments to implement their recommendations, the task force's recommendations could improve the comprehensiveness of the information available to the public. Having the suggestions of end users would also likely lead to more usable features. The cost of the task force should be minimal, and the cost of implementing any recommendations would be determined by the governments and communities. Regardless of any other alternatives pursued, the creation of the stakeholder task force would be beneficial.

Making Better Use of Existing Information

Much useful government information is already available online; it's just not always easy to access. The state could improve its open government website by providing more links to information maintained by its various agencies. For example, several agencies, including the Department of Commerce and Insurance and the Department of Environment and Conservation, post information about licenses and permits granted and the regulatory actions of their boards and divisions. This information should be accessible through the state's Open Government website. Various state agencies also maintain databases with information about Tennessee's local governments. For example, city charters are posted on the University of Tennessee's Municipal Technical Advisory Service (MTAS) website, county audits are posted on the Comptroller of the Treasury's website, and report cards for school systems are posted on the Department of Education's website. The Comptroller's Division of Property Assessment posts information from the property tax rolls of nearly every county and links to websites for the others. Legislation could establish guidelines for how this information should be organized on their websites and either require or encourage every government to provide links to such information. Local governments that already maintain websites could add these links to the required information. Those that do not may need assistance or it may be necessary to create rudimentary websites with these links for them. Agencies such as the University of Tennessee's County Technical Assistance Service (CTAS) and MTAS could assist by creating website templates that meet the guidelines.

This alternative would improve the consistency and comprehensiveness of information and would likely improve understandability and usability. Making this alternative mandatory

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would likely increase costs for governments without websites but not for those that have them. This is a relatively low-cost option.

Establishing Minimum Transparency Requirements

Legislation could establish a list of basic information and then either encourage or require every governmental entity to make that information available. Such a list should include information about elected and appointed officials; agendas and minutes from meetings of councils, commissions, and boards; and fiscal information such as budgets, financial reports, audits and tax expenditures, as well as regulatory information, including licenses, permits, complaints, and other regulatory actions. School systems' websites should include the report cards issued by the Department of Education. In addition, all government websites should include instructions for submitting open records requests.

This alternative would improve the comprehensiveness and consistency of information posted on state and local government websites. Depending on how information is presented, it could be more understandable and usable. Cost would depend on the extent to which governments already provide this information.

Proposed Legislation

Senate Bill 2831 (Ketron) [House Bill 3327 (Carr)] and Senate Bill 2832 (Ketron) [House Bill 3328 (Carr)] would in some ways be more comprehensive than the previous option—digging deeper into financial data—but is less comprehensive in other ways. For example, these bills do not include regulatory information, which may be of greater interest to many people. Both bills require such features as searchability, historical data and trends, “checkbook level” expenditures, contracts, and audit reports.

These bills could increase understandability and usability depending on how the information is presented, though the sheer amount of information required may overwhelm some users and make it more difficult to find and use the information they desire. Moreover, features such as searchability make this a costly alternative. Even so, possible cost savings through more efficient operations could result from transparency improvements.

Most Tennessee governments would need to upgrade their technology and hire additional information technology personnel. Many governments do not have the databases needed to feed such a system or the staff needed to maintain those databases and create interfaces to them. The original fiscal note for the state-level bill (Senate Bill 2831) estimated one-time expenditures exceeding \$250,000 and annual expenditures of more than \$150,000 thereafter. These estimates do not include costs that would be incurred by the state's higher education systems. Chief of Accounts Jan Sylvis indicates that the Department of Finance and Administration has tried to improve transparency without incurring additional costs and intends to make their data searchable by 2014.

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Local government costs are more difficult to estimate because the governments themselves and their websites vary widely in scope and sophistication. The fiscal note estimated total one-time expenditures of \$7,075,500 and annual expenditures of \$3,476,400 thereafter. Fiscal Review staff estimated costs without a searchable database at \$591,750 initially and \$655,400 each year thereafter. Estimates included the cost of developing and maintaining a website for those local governments that did not have one as of January 2012. All of these estimates assumed that all local governments were starting at the same point, though several already have some of the required features. Fiscal Review staff noted that the counties' constitutional structure, with its multiple independent elected officials, impedes having central county websites, although several counties do. Connectivity is a problem in many parts of the state. Although it has steadily improved, some areas are still considered "underserved" or "unserved" by Connected Tennessee.³³ Some of the costs of enacting the proposed legislation could be mitigated by providing technical assistance through CTAS, MTAS, or other organizations.

As seen in the discussion of Knox County's website, at least some of these larger communities are already implementing transparency features such as those required in the legislation. Knox County Finance Director Chris Caldwell indicates that having more information available can be accomplished without much additional burden because the county already has full-time staff who handle their website and e-government functions.

Privacy and Security Considerations

State and local governments maintain databases of various information that laws already deem confidential. The release of data might be restricted for reasons of security, safety, individual privacy, or corporate proprietary protections. Regardless of the approach used to improve government transparency, care should be taken to protect this information. Most states have clauses in their transparency laws prohibiting disclosure of information already held by law to be confidential. Beyond statutory requirements, policy makers should consider whether anyone might be unintentionally harmed by the disclosure of information and whether the format would be easily understood by the average citizen.

³³See <http://www.connectedtn.org/learn>

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Appendix A Persons Interviewed

Melissa Ashburn
Legal Consultant
Municipal Technical Advisory Service
University of Tennessee

Christy Ballard
General Counsel
Tennessee Department of Education

Joseph Carr, State Representative
Rutherford County

John Chobanian
Director of Strategic Marketing
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