



Business Intelligence for Government Transparency

Where the Money Goes

By Susan Combs

The state of Texas' Where the Money Goes program won a GFOA Award for Excellence in 2009.

The transparency and spending strategies adopted by the state of Texas could serve as templates for other government initiatives.

Government spending is often seen as impenetrable and unknowable. But taxpayers have the right to know how their money is spent, so government must be held accountable. The state of Texas launched an online expenditure database and then embarked on an effort to open the books in other innovative ways, giving citizens access to information that will allow them to scrutinize spending and join the conversation on their state's future.

The state's Where the Money Goes Web site offers transaction details for all state agencies and higher education institutions. It provides an intuitive interface and search capability for anyone who is interested in efficient use of tax dollars and seeing how the state's money is being spent. As the data was being compiled, duplication in state contracts was discovered and merged, saving the state \$4.8 million, and an additional \$3.8 million in expected savings was identified.

TRACKING WHERE THE MONEY GOES

The Texas comptroller's office continuously pores over budgets in keeping the books for the agency and for the state of Texas as a whole — a large task, and one that should be open to scrutiny.

The comptroller's office launched Where the Money Goes in June 2007, providing a window into broad spending categories for all state agencies and institutions, as reported to the comptroller's office. Today, the site gives the public 24/7 online access to up-to-the-minute information on agency expenditure information down to the transaction level, including check registry amounts, dates, payers, payees, and contract and grant information. Site visitors can also generate custom reports, view extensive data sets, and download that information to their personal computers.

Beyond the benefits of giving the public access to expenditure data, the comptroller's office discovered an internal benefit to the emphasis on transparency: it made the agency's operations more transparent to agency employees. Broad access to detailed, centralized, and easily navigable information gave all comptroller's office employees the ability to identify redundancies, inefficiencies, and other areas for improvement.

As a result of that free flow of information, the comptroller's has identified \$8.7 million in efficiencies and savings, and that number is still growing. For example, a close look at contracts for toner cartridges revealed a simpler and smarter way to consolidate purchases through one contract, rather than buying from multiple vendors. Getting a volume discount saved the office more

than 20 percent, for a total of \$73,000 on that one item. The office also realized that rather than spending about \$328,000 on replacing the mail sorting machine, including maintenance, it could rent additional post office boxes for less than \$10,000 and let the automated machines at the Postal Service do the sorting.

Increased transparency allowed the office to see where and how it spends money and where and how to save it. This allows the comptroller's office to apply some of its strategies to Texas government spending as a whole. Taking a common-sense approach to the issue, the comptroller's office recently introduced Open Book Texas, a three-part set of initiatives aimed at improving government accounting accuracy, spending, and transparency.

FIRST INITIATIVE: A SINGLE SET OF BOOKS

To shine more light on state agency bookkeeping, beyond the Where the Money Goes online expenditure database, the comptroller's office is pursuing an initiative to introduce more uniformity in Texas government accounting. In 2007, the Texas Legislature asked the office to create an advisory council, along with other state agencies, to examine the issue.

Today, Texas state agencies use many sets of books with sometimes conflicting accounting data. Agencies can use their own book keeping methods and codes for tracking and classifying items, a recipe for duplication that can make accurate statewide book keeping an enormous challenge. With the Single Set of Books Initiative, the comptroller's office will work with agencies to present a report to the Legislature on ways that state accounting systems and

For More Information

To learn more about the Where the Money Goes online expenditure database, visit www.window.state.tx.us/comptrol/expendlist/cashdrill.php. For an in-depth look at Open Book Texas initiatives, visit www.window.state.tx.us/openbook/.

processes can be made more accurate and useful in decision making.

SECOND INITIATIVE: TEXAS SMART BUY

Transparency helps spotlight spending inefficiencies after the fact. The comptroller's office also works to make Texas state government a better shopper from the outset. That is where Texas Smart Buy come in.

The initiative gives state agencies and local governments access to an online shopping cart — much like the setup used by online retailers — that allows them to purchase goods and services through state-negotiated contracts. This allows individual purchasers to get lower prices by using the state's bulk buying power.

The state is expected to save at least \$28 million in the first phase of Texas Smart Buy. The following areas have already been identified:

- Overnight and express mail. The state saved 34 percent, or \$3.8 million, and awarded a significant portion of this contract to a Texas-based vendor.
- Outgoing mail machines. The state saved 20 percent, or \$876,000, by negotiating a new contract with a long-time vendor.
- Fleet. The state saved 7 percent, or \$5.7 million, on fleet vehicles

through contract negotiations. Also, the state will start looking beyond the sticker price and also take into account the cost of fueling vehicles for 100,000 miles.

THIRD INITIATIVE: TEXAS TRANSPARENCY CHECK-UP

The comptroller's office has also introduced another Web site, Texas Transparency Check-Up. This site expands on previous online accountability efforts and encourages transparency at all levels of Texas government finance. In implementing this initiative, the comptroller's office researched the financial transparency of the top 50 Texas cities, Texas counties, school districts, and other local entities, and posted the results on the Web site. Texas Transparency Check-Up also offers local governments step-by-step advice for posting information online and presenting it in a way that is readable and understandable to the public. The site also highlights local government success stories, provides links to exemplary local government Web sites, and gives taxpayers tips to ensure that their government is open and accountable.

CONCLUSIONS

When you know what you are spending, you know how to spend better. The Texas comptroller's office is committed to seeing that philosophy spread to every level of government. In the age of the Internet, there is seldom a reason not to publish public information online. Transparency and wise spending are important during the best of times and absolutely essential in an uncertain economy where there is no money to waste. ■

SUSAN COMBS is Texas comptroller of public accounts.