

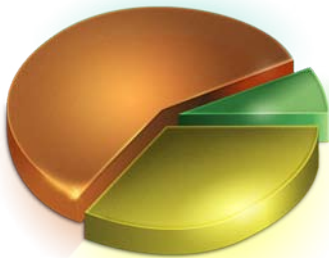
NC Transparency



Why Transparency?

Creating Trust in Government

JOSEPH COLETTI
DECEMBER 2009



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Open government is just as important in a modern republic as it was two centuries ago. Larger bureaucratic states threatened to overwhelm the ability of citizens and their representatives to keep track of government. Revelations of corrupt government officials, fraud in various programs, subsidies to chosen groups or companies, and laws written by lobbyists still surface. Fortunately, more tools are available every day to make more information available from more governments to more people.¹

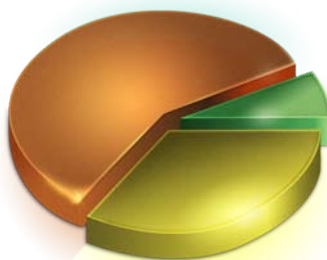
The John Locke Foundation is taking steps to help governments become more open. Our NCTransparency.com site helps taxpayers find government information online and gives grades for a quick check of how much is available for a state agency, local government, or school district. Our latest policy report on transparency provides three areas for improved transparency and some examples of what is already available.²

This guide has four sections:

1. How to think about transparency
2. How to increase financial transparency
3. How to expand transparency to the process of governing
4. How to plan for transparency

1. Jerry Mechling, "Creating See-Through Government," *Governing*, October 6, 2009, www.governing.com/column/creating-see-through-government.

2. Joseph Coletti, "Trust But Verify: Open government is better government," John Locke Foundation *Policy Report*, December 2009, www.johnlocke.org/policy_reports/index.html?year=2009.



1. How to Think About Transparency

1.1 Transparency is a tool, not a task



The first step to transparency and more open government is for government officials to change perspective. Transparency is essential for voters to understand where their money goes. But its greatest value is as a tool to improve government performance. Government employees, managers,

and elected officials can learn as much about their operations from online checkbooks and clear budgets as taxpayers and voters can. Open-books efforts in Texas, Missouri, and other states already have proven their value in eliminating duplicate contracts and finding wasted money.

1.2. Spending more time acting, not reacting

The screenshot shows the North Carolina Department of Transportation (NCDOT) DMV website for online vehicle registration renewal. The header includes the DMV logo and the text 'North Carolina Department of Transportation Division of Motor Vehicles'. Below the header, a red banner states: 'For Most North Carolina Motorists, Online Vehicle Registration Renewal is as Easy as 1-2-3:'. The main content area is divided into three steps:

- STEP - 1** Enter current registration information. We need to know the last five digits of the title number and the license plate number as shown on registration documents or renewal notices for Vehicle Registration.
- STEP - 2** Confirm vehicle information. Verify address, insurance company name and policy number, and the county in which the vehicle is registered.
- STEP - 3** Pay the renewal fee and view confirmation. Enter credit card information. Then submit an on-line renewal. A new registration will be mailed within 7 business days. Also note the renewal fee(s).

Below the steps is a button labeled 'Begin Vehicle Registration Renewal'. A note states: 'You may cancel your transaction at any point by clicking the cancel button located at the bottom of every page.' Below this is the 'CLICK@DMV' logo with 'NORTH CAROLINA' underneath. A section titled 'Before you begin the On-Line Renewal process, you must:' lists requirements:

- Have your license plate number and title number.
- Have one of the following credit cards:

Logos for Visa and MasterCard are shown, with a note: 'We also welcome Visa Check and MasterCard.' At the bottom is a blue navigation bar with links: NCDOT, SEARCH, HOME, CONTACT, and NCGOV.

If information is readily available in a useful way, constituents do not need to call and ask for simple requests. State agencies and local governments already offer many services in user-friendly formats online including the ability to pay bills, renew vehicle registrations, and register for classes. If

governments made financial information available in formats that were as easy to navigate, taxpayers might seek out the information on their own instead of contacting town staff with questions, freeing staff time to focus on more important matters.

1.3. The right data every time

[Return to the main search page](#)

Campus	NORTH CAROLINA STATE UNIVERSITY
Total Salary	\$170,000
First Name	MARY P
Last Name	EASLEY
Middle Initial	P
Department	PROVOSTS OFFICE
Position	EXECUTIVE-IN-RESIDENCE
Status	CURRENTLY EMPLOYED
FTE Percentage	100

[Back](#)

Wake County Budget & Finance
WATCH
Wake Accountability Tax Check
Watch how your tax dollars are used

Fiscal Year 2010 General Fund Transactions - July, 2009 through October, 2009
[Stop at this fiscal year](#)

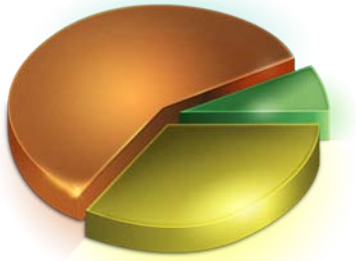
Current Filter Criteria
Department: --All-- Expenditure Category: --All--
[Set Filter Criteria](#)

Department/Division	Cost Center	Expenditure Category	Expenditure Line Item	Vendor/Description	Budgeted Amount	Actual Amount
Board Of Commissioners					\$454,851.00	\$157,060.48
Board Of Commissioners					\$454,851.00	\$157,060.48
Betty Lou Ward					\$0.00	\$2,183.20
Board Of Commissioners					\$454,851.00	\$146,116.94
Henric Wolo					\$0.00	\$1,838.52
Joe Bryan					\$0.00	\$2,305.00
Lindy Brown					\$0.00	\$1,585.70
Stan Newalk					\$0.00	\$1,041.12
Board Of Elections					\$2,047,129.00	\$473,344.90
Budget And Management Services					\$731,832.94	\$253,148.86
CCOB					\$4,156,748.00	\$1,356,376.19
Community Services					\$26,837,616.21	\$6,054,341.83
County Attorney					\$1,445,273.00	\$450,623.49
County Manager					\$1,458,326.00	\$448,553.53
Emergency Medical Services					\$18,259,070.00	\$1,959,441.87
Environmental Services					\$8,062,436.45	\$2,054,690.33
Facilities Design & Construction					\$1,145,336.00	\$363,019.96
Finance Department					\$2,814,333.72	\$549,811.34

If you went to the Charlotte Observer’s database of public university employee salaries³ in November 2009, you would see Mary Easley listed at North Carolina State University with a salary of \$170,000. The university had eliminated her posi-

tion in June. When governments fail to put information online in a structured format, they leave the public debate to outdated or incorrect information.

3. N.C. University salary database, www.charlotteobserver.com/data/story/94568.html.



2. How to Increase Financial Transparency

2.1. Opening the budget

Many governments already make some version of their budget available online. Most often it is just a scanned-in pdf whose contents cannot be searched or exported. The state budget bill comes in two parts, and neither provides the full amount of money that flows through state coffers. Too few budgets are in a format that a taxpayer can use or understand. Online, most local budgets either provide no detail or come in pieces without context. The legislative Fiscal Research Division posts a budget summary in January that shows state and federal dollars in the budget, but without enough to tie it back to the budget bill.

	Actual FY 2006	Actual FY 2007	Actual FY 2008	Estimated FY 2008	Adopted FY 2009	Estimated FY 2009	Budget FY 2010
REVENUES & SOURCES:							
General Fund							
Property Tax	51,165,166	54,291,575	58,208,899	#####	#####	63,990,763	65,863,755
Other Taxes/Licenses	22,984,545	25,249,438	27,126,339	#####	#####	24,559,665	21,886,500
Intergovernmental	5,894,979	7,061,157	7,405,387	5,597,944	7,405,387	6,966,833	7,054,968
User Fees/Permits	14,256,147	14,991,080	15,488,389	#####	#####	14,476,141	14,285,493
Investment/Miscellaneous	4,725,635	6,961,138	6,183,135	5,515,024	6,183,135	5,798,590	3,877,580
Fund Balance	-	-	(875,944)	6,043,655	(875,944)	681,859	(251,566)
Utility Fund Transfer to General Fund	-	-	-	-	-	-	500,000
Transfer to Capital	(10,200,841)	(19,605,383)	(12,272,000)	#####	#####	(3,989,302)	(949,700)
Utility Fund							
Operating Revenues	40,381,004	46,858,235	50,380,734	0	0	50,501,123	53,510,917
Fund Balance	4,381,668	-	-	-	#DIV/0!	-	(3,754,526)
Transfer to Capital	(868,539)	(1,000,000)	(10,404,651)	#DIV/0!	#DIV/0!	(2,973,555)	(500,000)
Transfer to General Fund	-	-	-	-	-	-	(500,000)
Other Funds							
Other Revenue	1,792,046	3,372,384	4,085,281	1,056,424	1,889,313	5,512,156	5,582,235
Capital Revenue Sources							
Debt Proceeds	-	69,584,994	-	#####	#####	62,657,551	23,898,552
General Capital	7,941,562	27,678,373	7,478,848	#####	#####	31,215,012	7,491,680
Utility Capital	11,515,380	19,142,338	18,489,913	#####	#####	27,792,692	18,621,536
Other Funding Sources	31,381,222	(67,701,775)	17,478,414	#DIV/0!	#DIV/0!	(1,174,398)	(3,825,503)
Transfers for Capital	11,069,380	20,605,383	22,676,653	#DIV/0!	#DIV/0!	6,962,857	1,449,700
TOTAL REVENUES	196,439,388	207,490,887	211,449,395	#DIV/0!	#DIV/0!	292,777,987	214,141,221
EXPENDITURES & USES:							
General Fund Expenditures							
Contribution to Fund Balance	85,870,102	91,736,329	101,264,205	122,669	#####	112,684,549	111,766,630
Utility Fund	2,975,529	(2,785,324)	-	#####	(9,772,468)	-	-
Contribution to Fund Balance	33,090,435	36,534,930	40,641,847	#DIV/0!	#DIV/0!	47,137,532	49,256,391
Other Funds	10,803,698	9,323,305	(665,766)	#DIV/0!	#DIV/0!	390,036	-
Fleet Management Fund							
Fleet Management Fund	-	2,074	(76,664)	(976,392)	93,979	93,979	-

2.2. Opening checkbooks & contracts

Town Of Columbus North Carolina 2009 Check Registers

Town Of Columbus North Carolina 2009 Check Registers

[July 2009 Check Register.xls](#)

[August 2009 Check Register.xls](#)

[Sept 2009 check register.xls](#)

[October 2009 check register.xls](#)



Contracts	
Contract Summary Information	
Description:	Star Trac Bikes
Agency:	UNIVERSITY - North Carolina State Agency Contact
Bid Type:	Open Market
Category:	Athletic Equipment and Supplies
Commodity:	Sporting Goods, Athletic and Athletic Facility Equipment
Open Date:	04/15/2009 Award Date: 04/15/2009
Vendor:	Advantage Fitness Products Award Amt: \$143,000.00
Bid No.:	03-TTAS005

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Description:	Star Trac Bikes
Agency:	UNIVERSITY - North Carolina State Agency Contact
Bid Type:	Open Market
Category:	Athletic Equipment and Supplies
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Contract Summary Information	
Description:	Star Trac Bikes
Agency:	UNIVERSITY - North Carolina State Agency Contact
Bid Type:	Open Market
Category:	Athletic Equipment and Supplies
Commodity:	Sporting Goods, Athletic and Athletic Facility Equipment
Open Date:	03/05/2009 Award Date: 03/05/2009
Vendor:	Advantage Fitness Products Award Amt: \$22,300.00
Bid No.:	03-TTAS1020

The state has put contracts and grants online with NCOpenBook.gov, where one can see North Carolina State University had three contracts for Star Trac Bikes between January and April worth a combined \$57,000. Wake County has put recent spending online in a reasonably friendly format, though without a lot of detail. The town of Columbus, with about 1,000 residents also puts a pdf of its check register online each month. None of these

improvements cost taxpayers very much, but each provides much needed reports on how the government handles taxpayers' money.

2.3. Measuring for results

Public information on government spending only covers half of the question. That spending has to accomplish something. Not even government can manage what it does not measure. Unfortunately, too few governments actually measure program outcomes.

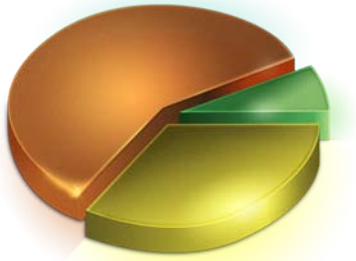
The governor's budget proposal claims to have performance-based measures, but those measures mostly track what goes into a government program, such as national board certified teachers, instead of what the program achieves, such as educated students. There is also no clear mission or vision to help determine outcomes for most agencies or programs.

The John Locke Foundation is helping to fix this problem with a state taxpayer return on investment study,⁴ dropout grant performance reviews,⁵ and a measure of how parent-friendly school districts are.⁶

4. See Joseph Coletti, "Taxpayers' Return on Investment: North Carolinians get little value for their tax dollars," John Locke Foundation *Spotlight* No. 359, September 23, 2008, www.johnlocke.org/spotlights/display_story.html?id=210.

5. See, e.g., Terry Stoops, "Dropout Prevention Grants: Legislators need to rethink their approach to the dropout problem," John Locke Foundation *Spotlight* No. 371, March 24, 2009, www.johnlocke.org/spotlights/display_story.html?id=222.

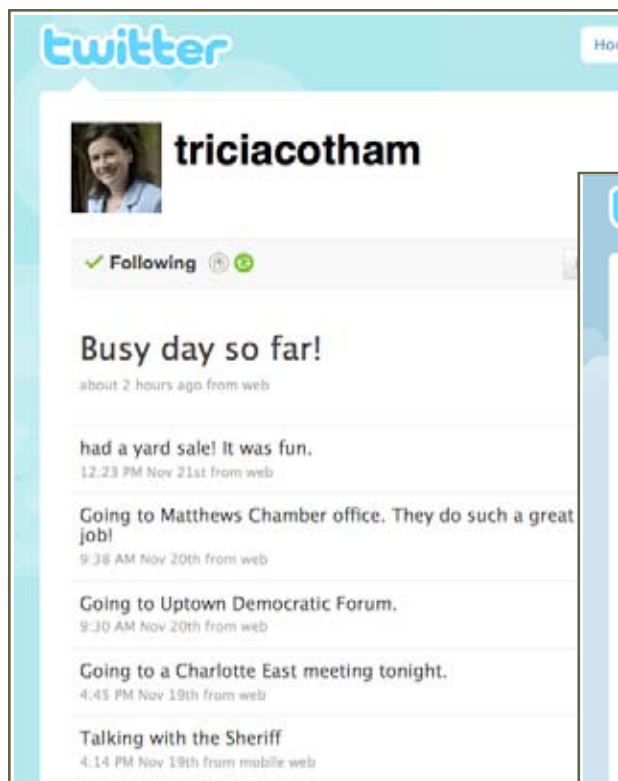
6. See, e.g., Terry Stoops, "Parent-Friendly Schools, 2009: How 'parent-friendly' are school districts in North Carolina?," John Locke Foundation *Spotlight* No. 381, November 30, 2009, www.johnlocke.org/spotlights/display_story.html?id=232.



3. How to Expand Transparency to the Process of Governing

3.1. Open communications

All official written and electronic communication with government staff or elected officials are already public documents even if that communication is done via personal email, Twitter, Facebook, text, or another medium. Elected and politically appointed officials should be more willing to use open communication tools such as Twitter and Facebook. Governments at all levels should also take a more active approach to safeguarding all electronic communication for a reasonable period of time.



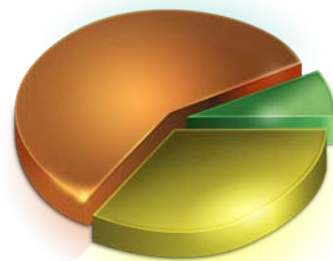
3.2. Open meetings

Governments in general are doing a better job at announcing future meeting dates, providing agendas, broadcasting the session on television or internet, recording the proceedings, and making minutes available. All of which make the remaining holdouts more egregious. It is not hard to do this, nor is it expensive. Open meetings, public hearings, and answering the press are how government officials build trust with constituents.

The regulatory bureaucracy is the fastest growing area of government and the least open. Proposed regulations need to be easy for taxpayers to find and understand whether those regulations set rules and rates for insurance, redefine what constitutes clean air, decide whose property rights can be subsumed to the greater good, or divine the future need for health care in every area of the state. The current regulatory systems virtually guarantee that only those with a large vested interest in the outcome make their voices heard. Those groups are willing to commit the time and resources to track the regulatory process and to intervene. The general interest loses to the special interests.

3.3. Open regulations

4.0. Plan for Openness



Once any level of government commits to openness, it must follow through. Few things can destroy credibility as quickly as failing to act on promises made. Citizens who would have been willing to help will become adversarial. Outside organizations will make information requests and post it online themselves where updates might be slow in coming.

Government is not “Fawlty Towers.” There cannot be good government without citizen taxpayers. Meetings of special interest groups, often referred to as stakeholders, are no substitute for actual open communication with constituents

or, in the case of school districts, with parents. Open government is not just an exercise in scanning documents and putting the pdf online. When done right, open government transforms how government works and what it does. Consider how residents might want to look at the budget. Think about how to design a website that can be improved through constant small iterations instead of occasional overhauls. As government officials prepare for software purchases, system upgrades, and the next budget cycle, think about changes that can facilitate openness.

Governments must plan to be open.

About the Author

Joseph Coletti is policy analyst for the John Locke Foundation's transparency initiative, including NCTransparency.com. He has reviewed best practices on transparency in other states and within North Carolina. His writing has appeared in state and national publications. He has presented to national policy organizations and been interviewed on radio and television stations across the state. Prior to joining the John Locke Foundation, Coletti worked in the automotive industry and handled policy and communications for an international trade association. He received degrees from the University of Michigan and the Johns Hopkins University.

About the John Locke Foundation

The John Locke Foundation is a nonprofit, nonpartisan policy institute based in Raleigh. Its mission is to develop and promote solutions to the state's most critical challenges. The Locke Foundation seeks to transform state and local government through the principles of competition, innovation, personal freedom, and personal responsibility in order to strike a better balance between the public sector and private institutions of family, faith, community, and enterprise.

To pursue these goals, the Locke Foundation operates a number of programs and services to provide information and observations to legislators, policymakers, business executives, citizen activists, civic and community leaders, and the news media. These services and programs include the foundation's monthly newspaper, *Carolina Journal*; its daily news service, *CarolinaJournal.com*; its weekly e-newsletter, *Carolina Journal Weekly Report*; its quarterly newsletter, *The Locke Letter*; and regular events, conferences, and research reports on important topics facing state and local governments.

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*“To prejudge other men’s notions
before we have looked into them
is not to show their darkness
but to put out our own eyes.”*

JOHN LOCKE (1632-1704)

*Author, Two Treatises of Government and
Fundamental Constitutions of Carolina*



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