Government Transparency: Trends in Texas

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In 2006, Texas initiated what would become a nationwide movement toward increased state government financial transparency by posting detailed records of the Governor's office expenses online. Since then, Texas has remained a leader in the development of web-based tools for information exchange between government and citizens. The challenge for Texas lies in remaining at the forefront of this transparency movement. To stay relevant, Texas must continue to pursue strategies that promote innovation and information accessibility, recognizing that government financial data is fundamentally a public resource.

The Evolution of Transparency

The definition of transparency seems to change in step with the technological capabilities of the time. What was considered useable, accessible, and transparent one day is outdated and insufficiently transparent the next. In Texas, the Public Information Act guarantees the public the right to request access to government information. Under this Act, citizens may submit open record requests in writing to government agencies for existing documents or other public information. The governmental body is required to reply "promptly" to the request and produce copies of the information. This inefficient process represents the current paradigm of transparency for most government agencies across Texas. However, a movement toward a post-Public Information Act era is beginning to take

shape as Texas turns to the Internet to promote increased government transparency.

The newest paradigm of government transparency is online data accessibility. In 2007, the Texas Legislature passed Bill 3430, partly in response to the 2006 Federal Funding Accountability and Transparency Act championed by then Senator Barack Obama. The Texas bill made the State Comptroller's office responsible for putting certain government data, such as contracts and grants, online and in a format that is "searchable and intuitive to users." The mandate is somewhat ambiguous because, for example, the requirements can be met by simply posting Portable Document Format (PDF) versions of datasets or reports on a Web site. The problem with PDF documents, however, is that they cannot be easily manipulated or transformed by the user. The PDF format was designed for printing, not for data accessibility. PDF documents are static and cumbersome, and users cannot easily extract core figures to generate original graphs or to conduct extended analysis. Although government officials may believe they are promoting transparency, they may actually be expending time and resources for immaterial results.

The Importance of Transparency

Fundamentally, increased government financial transparency combats corruption by making the process of governing more open to public scrutiny. The government's relationship to the public is similar to a

principal-agent relationship in the private sector. Problems arise from this relationship when information asymmetry or incomplete information causes the agent, in this case the state government, to act in ways that are not in the best interest of the principal (public). The government conducts its business on behalf of the public, but there are few ways for the public to verify that the government is acting in a manner that best promotes the public's interests. Increased transparency in state government financial information will align the actions of the agent with the interest of the principal by removing the information asymmetry.[1]

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Table 1: A Survey of Citizen Perception of Government Transparency		
Score on	**Transparency Score**	
	>80	**<70**
Satisfaction	89	41
Future Participation	62	44
Return to Web site	94	68
Recommended Web site	93	59
Use as a primary resource	89	60
More trust in government	87	59

Based on 100-point scale transparency scores assigned by 36,000 citizens who visited 14 federal sites during the fourth quarter of 2009. [2]

In Texas, the problem with state government is not so much corruption as inefficiency. If elected state agents know that the public can monitor their actions and subsequently punish them at the ballot box, the government agents will be strongly motivated to act in the interest of the public by increasing efficiency and eliminating waste. Transparency itself, however, is not

the ultimate goal. Transparency is just a means to achieve accountability for state government actions. Ultimately, transparency should empower and engage citizens to hold the government more accountable.

A 2009 evaluation of 14 federal agency Web sites quantitatively established that citizen trust in government is enhanced by the perception of government transparency. Survey respondents ranked Web sites based on a 100-point transparency score, and the sites deemed more transparent elicited the most citizen trust and satisfaction (see Table 1).[2]

Increased government financial transparency also has big implications for Texas businesses. With improved access to government contracts and vendor bids, businesses can become more effective at evaluating patterns of government spending and identifying potential business opportunities. They can also learn more about their competitors by monitoring the success or failure of respective bids. Businesses may also design their own applications for processing the available data in ways uniquely tailored to their business objectives. On the other hand, increased financial transparency will necessarily reveal more about the company's corporate behavior than they may want disclosed to the public or their competitors. Businesses would be well advised to closely monitor future developments in government financial transparency to evaluate their potential impact on the private sector.

Texas and Transparency
The Texas Comptroller's office is undertaking major state initiatives for increased online government financial transparency. They are currently redesigning the main state site, "Where The Money Goes,"[3] to improve its usability and accessibility. As part of a larger Texas Open Book Initiative,[4] the Comptroller's Web site offers informa-

tion about state spending, federal stimulus spending, and local city and county spending. The Web site approaches transparency from a multi-level perspective, aiming for accountability at every level of government.

With the redesign, the Comptroller's office seems to be shifting away from simply reformatting the appearance of the Web site or generating new applications to display already available data. They are now focused on providing complete, raw data files for public download. This month, the Comptroller's office released the Open Data Center. It contains a table of over 30 datasets available in CSV format (Comma Separated Values). The current datasets reflect the most popular open records requests, but the Data Center will continue to expand as the public requests additional datasets in different data formats. While the Data Center is still in its early implementation phase, it represents a step in the right direction toward embracing online data accessibility.

Another initiative that will streamline the process of compiling comprehensive datasets is the "Single Set of Books" proposal. This program calls for a uniform financial accounting system for all Texas agencies. The goals of the project include creating "[o]ne destination for real-time reliable information, a 'single source of truth' eliminating conflicting data, and better tracking and standardization of financial information."[5] In essence, the project would enforce a uniform structure on the administration of state agencies and institutions of higher education. Establishing uniform standards across government agencies will make it easier for users to design interface applications that can be universally applied across agency datasets without adapting to different agency report formats. Additionally, a streamlined system of accounting will make it easier to spot discrepancies and outliers in the submitted data. Together, the Single Set

> The basic premise behind the initiative is not to overload citizens with information they do not want, but to spur citizen participation in ensuring government accountability. Efforts such as these demonstrate that increased government transparency can empower citizens with very little cost to the government.
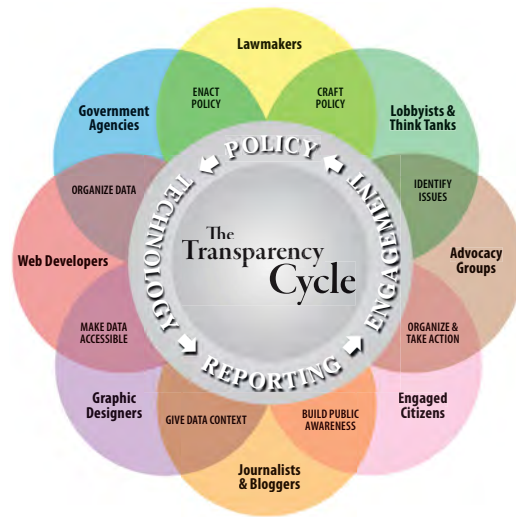
of Books and Open Data Center represent a tangible shift away from the outdated paradigm of the Public Information Act.

Efforts toward more government transparency are also taking place at the local level. In Manor, Texas, the local government has implemented a system of Quick Response Codes (or QR-codes) that allows citizens to instantly download information about topics of local interest. Using their cell phones to scan the QR barcodes located throughout the city, citizens can access embedded hyperlinks that direct them to additional information (see Figure 1). For example, scanning a QR-code placed at the site of a construction project will direct concerned citizens to information regarding the cost of the project, the timeline for completion, contractor information and more.[6] The basic premise behind the initiative is not to overload citizens with information they do not want, but to spur citizen participation in ensuring government accountability. Efforts such as these demonstrate that increased government transparency can empower citizens with very little cost to the government.

Moving Toward the Future

Texas should continue to implement transparency initiatives that build an informed citizenry. Specifically, the government should develop a community of informed users who collaborate with government agencies to promote civic involvement through transparency. A baseline community of watchdog agencies and public interest groups already exists to monitor and

All posted data should be in structured, machine-readable format for programmatic access, which includes formats like CSV, XLS, XML, RSS, etc. These formats avoid the pitfalls of PDF documents by allowing programs to extract and access data, rather than just statically display the data.

Figure 2:
User Community Interation With Government Agencies

The Transparency Cycle

An illustration of the user community and its interation with government agencies.[7]

report on government activity. By simply providing access to more data, the government can build momentum for expanding this community to more individuals. Ultimately a user community of citizens, media outlets, and private agencies would collaborate to develop applications for interpreting and organizing the data posted by government agencies. The role of the news media should not be understated; they provide context for interpretation of the data and have the potential to engage the greatest number of citizens. While no legislation currently mandates increased transparency across all Texas government agencies, enough citizen interest could potentially spur directives for more agency action or motivate government leaders to take action themselves to make more data available.

Government agencies are in the best position to provide government financial data to the public at the lowest cost. While it is possible for third parties to accumulate datasets through open record requests, like the impressive efforts of the Texas Tribune,[8] it is simply easier and more efficient for the government to publish the data itself. The

government should not waste resources designing interfaces and applications for data analysis. Third-party developers arguably can produce more innovative and timely applications than the government, which would then be free to focus on compiling comprehensive datasets like those in the Open Data Center. Many innovative applications can be created through "crowdsourcing" to the online user community. Crowdsourcing involves capitalizing on the expertise of many people to achieve a result traditionally completed by a single institution. The strategy rests on the idea that a lot can be accomplished if it is done incrementally through collaboration rather than all at once by a single entity. A partnership between government and the informed user community can make the transition to online transparency cheaper and faster.

One of the disadvantages of making complete datasets available without government filter is the potential for misinterpretation of data by inexperienced users. Leaving analysis to third parties takes data interpretation and conclusion presentation out of the hands of the government. Outside parties would determine what information is relevant to the general public. While this outcome promises the most objective analysis of government behavior, the user community must be accountable for publishing conclusions in a responsible and balanced fashion. A person unfamiliar with statistical interpretation could jump to incorrect conclusions about the content of a dataset and immediately publish these findings to support a personal point of view. However, collaborative sites like Wikipedia have repeatedly demonstrated the online community's ability to police the information it produces. As long as the government remains committed to maintaining an engaged user community, there will be enough interest to self-police and minimize irresponsible publishing by fringe users.

So what type of financial data should the Texas government be posting? The momentum of the online transparency movement is toward programmatically addressable open standards data. All posted data should be in structured, machine-readable format for programmatic access, which includes formats like CSV, XLS, XML, RSS, etc. These formats avoid the pitfalls of PDF documents by allowing programs to extract and access data, rather than just statically display the data. Users have the ability to use and manipulate the data in meaningful and innovative ways. The current Public Information Act paradigm seems almost obstructive in light of these available alternatives.

The type of data the government posts should be outcome-oriented, not just output-oriented.[9] The budget data currently posted on the Texas State Comptroller site comprehensively reports expenditures compared to budgeted amounts, but does not really address the fundamental question posed by interested taxpayers—are the funds achieving the desired purpose or are the programs adequately efficient? For example, the budget for the state's Parks and Wildlife Department shows allocations and expenditures that occurred for Wildlife Conservation. More detailed amounts listed in the vendor contracts separate how much was spent in salaries and wages or supplies and materials. Although "output-oriented" data like budget numbers tells citizens whether the agency was above or below budget, it says nothing about how successful the money was at achieving the con-

servation goals set by the Department. A more informative metric might measure the dollar amount spent per percent acreage-managed-to-enhance-wildlife. Thoughtful selection of relevant metrics ensures the datasets posted by the government agencies address actual citizen concerns.

The Comptroller's Open Data Center should mirror the expansive, new federal Web site Data.gov. This site, launched in May 2009, serves as a sort of "one stop shop" to consolidate many of the data sets available from scattered federal agency sources. It offers instant download of thousands of machine readable, platform-independent datasets. It also compiles a catalog of third-party generated applications for data mining and extraction. Users are able to download a complete data source and produce maps, graphs, or analyses specific to the user's interest. This site represents the idea that government should concentrate its efforts on compiling comprehensive datasets and offering them to the public rather than dictating how the data should be viewed, used or interpreted.

Although Texas embraced the online government transparency movement from the start, vestiges of the old Public Information Act mentality still linger. Innovative agencies like the Office of the Comptroller are breaking ground by providing financial data that is accessible, useable, and timely. These standards should be the rule, not the exception. Texas has the ability to provide financial transparency at all levels of government; its citizens just have to demand it. ◆

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Table 2: Examples of Other State Efforts to Enhance Financial Transparency		
State	**Website**	**Innovative Features**
Alabama	http://open.alabama.gov/	Searchable checkbook; updated contracts and bids; accessible organization
Oregon	http://www.oregon.gov/transparency/	Employee salary database; expenditures available in multiple data formats
North Carolina	http://www.ncopenbook.gov/	Extensive contracts database; searchable grants database
Maryland	http://mdimap.towson.edu/statestat/	Interactive map that plots stimulus funded projects

Endnotes

1. For more information about the principal-agent paradigm, see: Brito, Jerry and Drew Perrault, "Transparency and Performance in Government," Mercatus Center, George Mason University, 2009, at http://mercatus.org/sites/default/files/publication/Transparency_and_Performance_in_Government__corrected.pdf.

2. Sternstein, Aliya, "Study Links Online Transparency Efforts, Trust in Government," 2010, at http://www.nextgov.com/nextgov/ng_20100216_1403.php?oref=rss?zone=NGpopular

3. Window on State Government at http://www.window.state.tx.us/comptrol/expendlist/cashdrill.php

4. Open Book Texas at http://www.window.state.tx.us/openbook/

5. Project ONE, Our New Enterprise at http://www.texaserp.org/

6. For more information about QR-codes see http://www.cityof-manor.org/wordpress.

7. "The Cycle of Transparency," Sunlight Foundation, at http://www.sunlightfoundation.com/TransparencyCycle/

8. One example is the Government Salaries Database: http://www.texastribune.org/library/data/government-employee-salaries/

9. For another example of outcome-oriented data, see: Brito,"Transparency and Performance in Government," at 9. ◆