

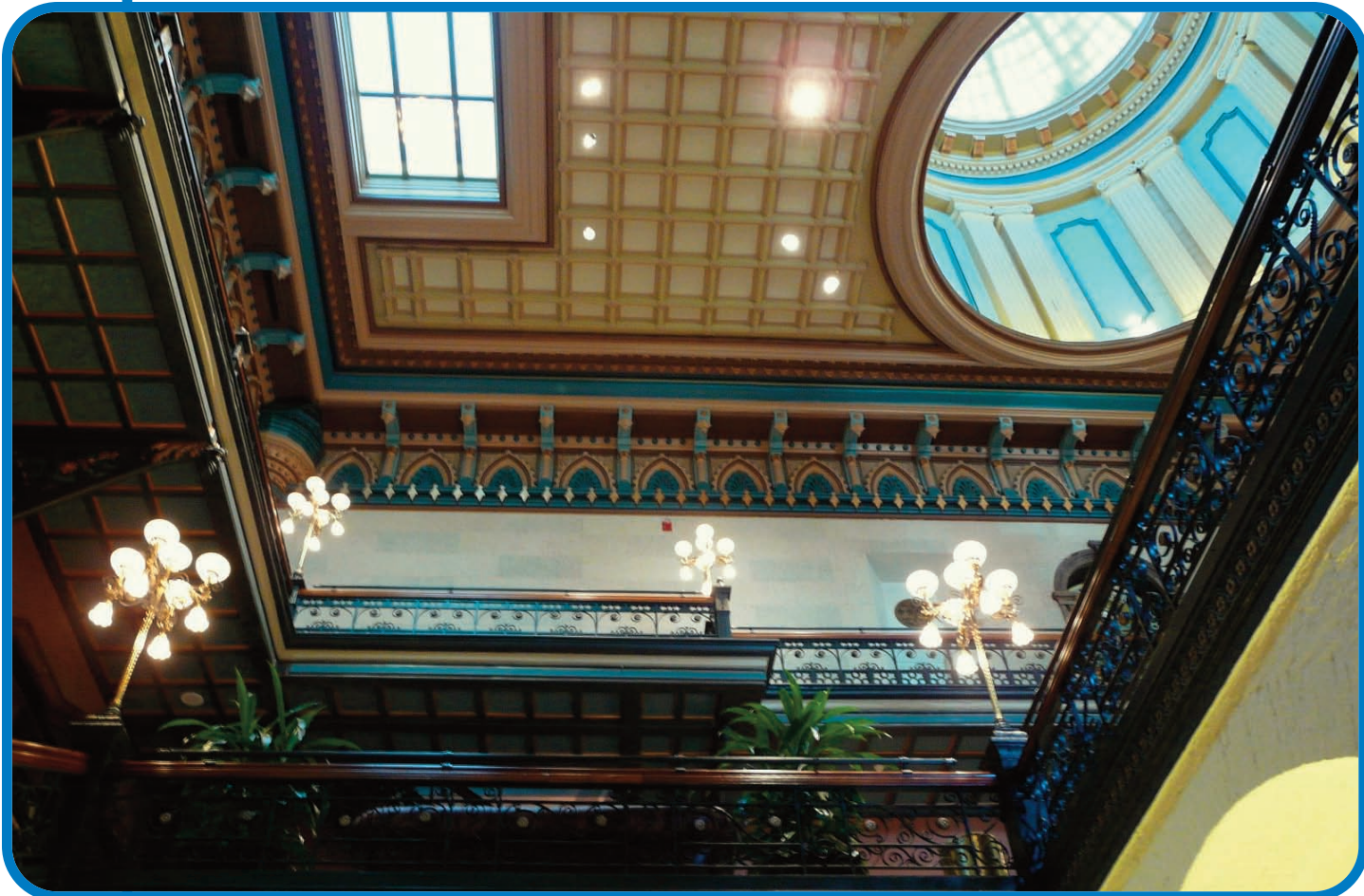
# TRANSPARENCY

**“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.”**

**— James Madison**

In January 2009, the Policy Council released a report on transparency that included the following recommendations: online check registers; open records reform; a taxpayer funded lobbying ban; voting on the record for the General Assembly; and lawmaker income disclosures. In response, the House and Senate implemented new rules requiring roll call votes on more bills.

Legislators, however, refused to pass a Truth in Spending Act that would have required localities to create online check registries; although the state budget included several provisos that expanded transparency, including an amendment requiring school districts to create online check registers. In addition, multiple local governments across the state embraced online spending transparency in the past year, including Anderson and Charleston counties. The cities of Aiken, Cayce, Irmo, Myrtle Beach and Turbeville also posted financial records while officials from Columbia, South Congaree, Simpsonville, Fountain Inn, Mauldin, Dorchester County and Greenville



*75 percent of votes cast by state lawmakers in 2009 were taken in secret without any record of how legislators voted.*



### **More good bills that didn't pass:**

**H 3183:** Allows public notices to be posted and maintained on county websites as opposed to paid newspaper advertisements.

County have committed to transparency, but are not yet online.

Yet much more remains to be done. Take roll call voting. Forty-one states require a roll call vote by at least one chamber before a bill can become law. Four other states mandate recorded votes on all revenue bills. Here in South Carolina, 75 percent of votes taken by the General Assembly were anonymous voice votes despite the new rules adopted by the legislature. The House recorded votes 31 percent of the time in 2009; the Senate 16 percent of the time. In addition, no significant progress was made as regards limiting taxpayer funded lobbying or expanding lawmaker income disclosures.

# BEST IDEAS OF 2009

## ✓ Increasing government spending transparency

### **S 229: Truth in Spending Act**

*Status: Referred to Finance Committee*

This bill would require the comptroller general of each government entity (both state and local) to keep a detailed check register and post transactions online each month. Also see S 221, H 3540

### **S 789: Higher Education Transaction Register**

*Status: Referred to Education Committee*

This bill would have required public higher educational institutions to create an online transaction register and to post credit card statements online as well.

### **S 72: Agencies Must Report Spending**

*Status: Referred to Finance Committee*

This bill would require state agencies, including colleges and universities, to submit to the General Assembly and the governor semiannual reports justifying the use of all money received.

### **S 699: Local Financial Audits**

*Status: Referred to Finance Committee*

This bill would require all localities to conduct annual financial audits and make these audits available to the public via electronic means. The bill also permits the State Treasurer to report on the financial health of political subdivisions to the governor and General Assembly.

## Too Busy?

When asked to consider an alternative budget that would have increased classroom funding and set aside \$200 million for debt reduction while avoiding across-the-board cuts, legislative leadership claimed the General Assembly was too busy. When asked why they conducted recorded votes only 25 percent of the time, legislators also claimed they were too busy. Yet consider the following:

**653:** Number of resolutions without the force of law taken up by the General Assembly

**575:** Number of resolutions without the force of law passed by General Assembly

**19:** Number of bills related to missed school days (5 of which passed)

**4:** Number of bills related to naming state animals

## Other bills that passed:

**H 3428:** Decreases total number of bills and reports printed and distributed by the legislature (signed by governor).



Online transparency of state expenses improves accountability and discourages waste and abuse.

### S 214: Track Payments Online

*Status: Referred to Finance Committee*

This bill requires the State Treasurer to create an online register of all payments exceeding \$1,000 to vendors for goods and services, as well as state employees' reimbursements.

► **Our take:** Creating more websites to track expenditures is an excellent way to give citizens more information about how their money is being used in Columbia. Contrary to South Carolina's current FOIA laws, taxpayers should not have to pay to see how their own money is being spent. Tracking spending, however, is

only half of the battle; what is also needed is more transparency regarding appropriations. For more information on budget transparency see the Spending & Taxes section.

### S 239: Earmark Disclosure Bill

*Status: Passed Senate; referred to Ways & Means Committee in House*

This bill would require legislators to submit in writing any request for an earmark, with the request posted online for public viewing.

► **Our take:** According to the Sunlight Foundation, "An earmark is an item that is inserted into a bill to direct funds to a specific project or recipient without any public hearing or review." What makes earmarks so controversial is the lack of transparency and accountability for why such money is being spent. Tracking who requests earmarks would permit more public scrutiny of this type of spending.

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### Legislation most likely to come up:

**S 239:** Senator Jim DeMint has made earmarks a priority during his time in Washington. His actions have resonated back home in South Carolina, such that the Earmark Disclosure Act has a chance of passing in 2010. Legislation (H 3047) requiring more recorded votes is also welcome. S 699, sponsored by Senate Finance Chairman Hugh Leatherman (R-Florence), is also likely to come up for debate.

## S 674: 72-Hour Budget Waiting Period

*Status: Referred to Rules Committee*

This Senate resolution would have implemented a “72-Hour Budget Rule” prohibiting the Senate from voting on an appropriations or revenue bill until 72 hours after the proposal has been made publicly available.

► **Our take:** A 72-hour waiting period is necessary for all important pieces of legislation. Legislators, as well as the public, need time to read and comprehend lengthy bills. Absent this rule, we can almost guarantee even conscientious lawmakers are not reading at least some bills before they vote on them.

## Budget Includes Transparency Reforms

The FY09-2010 budget included several provisions that further transparency — even as the General Assembly refused to act on more ambitious reforms in this area.

- The House added a last-minute amendment (proviso 1.43) requiring school districts to maintain an online transaction register for all expenditures exceeding \$100. The Comptroller General must establish and maintain such a register for school districts that do not have websites. The Comptroller General is likewise responsible for reimbursing school districts for costs associated with the registers.
- The General Assembly also required state agencies to prepare and make available via the internet a comprehensive report regarding fine and fee revenue, including how collected funds are spent (proviso 89.125).
- After Senator Greg Ryberg (R-Aiken) informed fellow members that 12 House members failed to file a state income tax return for at least one year between 1999 and 2007, the Senate added language to the budget requiring candidates for public office to fulfill their tax obligations (proviso 81.16). The results of each inquiry are to be posted on the Department of Revenue website.
- State agencies must post a listing of all programs funded with federal stimulus money derived from the American Recovery and Reinvestment Act of 2009 (proviso 89.116).

 **Making public officials more accountable by recording votes**

**H 3047: Record General Assembly Votes**

*Status: Referred to Ways & Means Committee*

The Spending and Accountability Act of 2009 requires a roll call vote on most bills, including each section of the budget bill. Also see S 11

**S 244: Record Board and Commission Votes**

*Status: Referred to Judiciary Committee*

This bill would require state boards and commissions to record votes when awarding compensation and bonuses.

▶ **Our take:** As mentioned previously, 75 percent of all bills in the General Assembly were passed via voice vote. At the very least, the legislature should be required to record votes on every bill that has a fiscal impact. Likewise, more transparency regarding board and commission expenditures is necessary.

 **Eliminating wasteful government spending**

**S 335: Prohibit Taxpayer Funded Lobbying**

*Status: Referred to Judiciary Committee*

This bill would prohibit state agencies from using public funds to hire lobbyists. Also see H 3043, H 3045, H 3057, H 3077

▶ **Our take:** Taxpayer funded lobbying entails spending citizen's tax dollars to advocate for more spending and higher taxes. It sounds unreasonable because it is. In the first half of 2008 alone, state government agencies spent \$1.46 million on lobbyists. The budget process already gives agencies ample time to make their case for funding. Using tax dollars to hire lobbyists is not only wasteful, but insulting.