Louisiana Checkbook: A Well Balanced Proposal

Louisiana's state and local governments can take big steps toward greater online transparency & accountability with their spending

A surprising amount of attention recently has focused on a proposal to improve the state's online system for public viewing of government expenditures. As part of negotiations over the looming fiscal cliff, the Speaker of the House sent the Governor a list of spending reforms that House members considered top priorities. One of the reforms would create greater transparency with a "Louisiana Checkbook." This initiative would enhance the state's current online LaTrac system and generally would emulate a website operated by Ohio. This program, along with other measures for greater transparency and open government, would be beneficial to state and local governments and the people they serve.

Online transparency websites generally enjoy nonpartisan support, though rarely are they an element in a high stakes billion dollar budget negotiation. To understand the idea, let's review what the existing system called LaTrac currently does, what additional functions could be added and what obstacles and opportunities exist.

The LaTrac building block

LaTrac was created about 10 years ago early in Gov. Bobby Jindal's administration by putting state accounting information online. It can be found at www.latrac.la.gov. LaTrac contains information only from the executive branch of state government.

In the beginning, the information was relatively limited. More agencies joined over time although the coverage, such as for colleges, is still spotty. LaTrac's interface and search mechanisms are serviceable but not up to contemporary standards. Only some of the information is in a downloadable data format.

LaTrac acts as a transparency portal that contains several separate modules:

Expenditures: This is the "checkbook" or accounting module. You can look up expenditures by vendor and agency, though details are limited.

Performance: Tracks agency performance measures used in the budget development process.

Contracts: Lists professional services contracts with the contract amount and a brief description.

Economic Incentives: Links to the Department of Economic Development's incentive tracking system.

Grants: Lists state grant opportunities for citizens, nonprofits and businesses.

Boards and Commissions: Provides information on state boards including budgets, meeting notices, members and relevant laws.

Special Funds: Lists certain dedicated funds, the amount of money in the funds and how the funds can be used.

Revenue: Links to Department of Revenue publications and to revenue forecasts made by the state Revenue Estimating Conference.

Opportunities for improvement

While LaTrac does a lot, there is much room to grow and improve. Some useful new information could be added easily. Many transparency websites, including the Ohio Checkbook, display public employee salaries. Employee pay is a matter of public record and publishing the data on LaTrac would be a simple task technically. Media and private sector websites in Louisiana have done so in the past, providing evidence that this feature would become one of the more popular functions of the new Louisiana Checkbook. In addition, a large number of government transactions are handled through state-issued credit cards. Those purchases could be put online easily as well. As these state cards are sometimes a source of misuse, additional transparency would be a welcome improvement.

Greater functionality for other website information could take time and money. Although highlights about state contracts are available on LaTrac, the actual contracts are not. Those documents can be obtained by request in most cases. Some effort and cost are needed to create the document management system that would enable this kind of online reporting, but that step should be taken anyway to modernize our state systems. An organization the size of Louisiana state government should move beyond the paper office, independent of transparency benefits.

Strengthen the weak spots

Other murky but important areas of government work could use some additional transparency. The capital outlay process – in which the state's building projects are chosen and financed -- by its nature is complicated. If citizens could easily see what is approved by the Legislature and then backed for lines of credit and actually constructed, this process would be clearer and possibly less likely to invite patronage and cronyism. Likewise, state investments and debt, including the state's huge retirement debt, are important aspects of the state's fiscal health. In pieces here and there, this information already is available to the public but is not easy to access or analyze.

Ohio Checkbook is run by the Treasurer in that state. In Louisiana, LaTrac is overseen by the Division of Administration, which operates under the governor's control. Louisiana Checkbook could be operated as a portal by the Division, with gateways as appropriate to other agency data files online. Alternatively, the Louisiana Treasurer could operate the central system or handle certain aspects of the portal, such as data on debt, the capital outlay process and retirement system payments toward unfunded liabilities in the state pensions. The Treasurer has substantial jurisdiction over those financial processes.

> **This program, along with other measures for greater transparency and open government, would be beneficial to the state and local governments and the people they serve.**

Whether in Ohio or Louisiana, a big deficiency with the current generation of online checkbooks is that they carry sparse information on Medicaid expenditures, which just happen to be one of the biggest and fastest growing sectors of the state budget. Due to their complicated nature, Medicaid transactions are mostly handled outside the state accounting system. Also, some of the most important state Medicaid transactions are large occasional payments to service vendors, such as to private companies contracted to provide administrative services or

managed care. More granular information may not be easily reportable. To address this shortcoming in transparency, the state should provide basic top-line fiscal information about Medicaid spending, with the ability to drill down into more details. The Louisiana Department of Health already is responsible for a number of reports. Centralizing the information would help citizens and might even reduce staff workload by reducing redundancy.
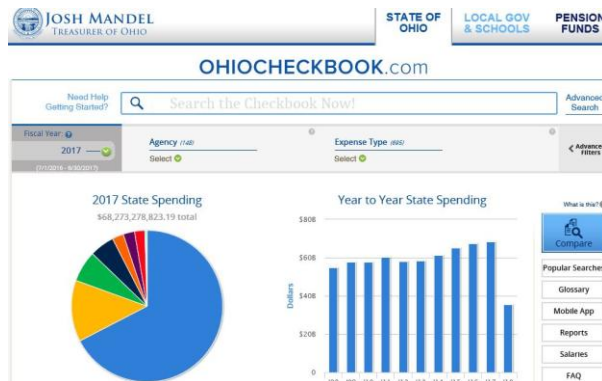
Cast a wider net

Louisiana Checkbook should represent a major improvement by including the legislative and judicial branches of state government as well as local governments. This broad net is one of the strengths of the Ohio Checkbook and would add a wealth of useful data to citizens. Local governments -- whether they be a parish, city or school board -- intersect with citizens' lives and pocketbooks often more directly than state expenditures. Some local governments in Louisiana already have transparency or open data portals. Combining them in a central location or portal with a uniform format would be a significant advancement.

Adding local governments, especially those without transparency websites, could be a time-consuming process depending on the cooperation levels of the local officials. But automatic interfaces can be constructed on a Louisiana Checkbook to upload data with routine effort.

The Louisiana Checkbook should be more than a data improvement of LaTrac. The wealth of information is diminished in value if citizens are uncomfortable using the site. The site should be easier to use and should simplify the interfaces. The Ohio Checkbook has several "premade" searches on interesting topics, such as sick leave and state travel. Additional functionality should be added, like a mobile and tablet mode and the ability to share the information on social media.

LaTrac and LaGov: Know the difference

LaGov is the name of the new computer system that handles the state's back-office functions such as accounting, payroll, contracts, purchasing and inventory. The state is transitioning from its multiple, old legacy systems to this new unified system. The state has spent approximately $100 million so far and officials say they need another $26 million and two years to finish the job on LaGov.

The Division of Administration wants to spend $26 million in recently freed-up budget dollars to complete LaGov before LaTrac can be upgraded into the newly envisioned Louisiana Checkbook. One of the debates in the state capital is whether the full LaGov upgrade is needed to launch the Checkbook. Much of the Checkbook initiative can move forward in the short term. In places where the underlying accounting system is inadequate to feed the Checkbook with good data, more effort will be needed to realize the full potential of the new public website.

Cautionary tales

Louisiana Checkbook would do a great service. But let's recognize its proper scope and role. Checkbook data alone will not explain the policies or priorities behind the spending, but the website will provide the opportunity for agencies to inform the public about the context of transactions. Checkbook data

will not tell us what exactly is going on in the appropriations debates or anticipate one-time spending and gimmicks in the budget, but it might lay bare evidence or raise questions about the state's practices.

Some public education about the data would be useful. For example, state employee travel is often regarded by legislators and the public as among the least necessary types of spending. In fact, many state and federally mandated regulatory duties are conducted around the state, requiring staff travel. In some agencies, a consolidation of regional offices combined with marginal increases in staff travel could save the state money overall. And we should not jump to conclusions about the integrity of transactions -- such as credit card purchases or professional service contracts – but first should try to understand the real purpose for them.

The future of open data

Opportunities for open data platforms go well beyond the financial transaction reporting for Louisiana Checkbook. Government agencies collect and track all sorts of data, whether related to regulatory functions or trends in the environment, economy, health care, social conditions, workforce or commerce. Federal and state datasets already contribute substantially to the public welfare for weather, communication, navigation and other societal matters.

State and local governments should embark on more plans to create open data platforms. Thoughtfully planned projects to provide useful government data -- in ways that are easy to find, downloadable, timely and re-usable without restrictions – can benefit both the private sector and government itself. Entrepreneurs can utilize information for new services and digital applications. In states where open data platforms have been established, the sharing of information across agencies and jurisdictions has helped break down bureaucratic walls and make government more efficient.

This open data project can be guided by the recommendations and counsel of the National Association of State Chief Information Officers, which has a seasoned approach to this issue. The governor should elevate the role and responsibility of the state chief information officer and call upon agency technology heads and records custodians to develop a plan for Louisiana to become a leading state for open data platforms that are useful and promote open governance.

Beyond Checkbook

From the local to state levels, good transparency practices can contribute to better and more accountable government as well as greater public awareness and confidence in the people and institutions that lead and manage our public affairs. Louisiana Checkbook should be one module of an overall healthy program of open governance. These recommendations also are important:

- Maintain Louisiana's strong foundational open records and public meetings laws. Resist the proliferation of exemptions from the law and correct any malpractice in its implementation.

- Ensure funding for the Legislative Auditor to continue open governance training classes statewide for local government workers. Proper training is the No. 1 preventative solution for neglect or abuse of open governance laws. Training fosters a culture of compliance and increases public officials' appreciation for high standards.

- Develop systems to preserve and place routine agency business emails and other communications in a searchable and more public-friendly platform that ensures protection of private and proprietary infor-

mation. Some state agencies and local governments are spending valuable time and money in legal reviews and redactions before releasing communications and other documents requested under the public records law. The agencies must balance the requirements of the public records act with the privacy rights and exemptions granted by law. Communication and documentation systems with public records forethought and independent reviews to verify compliance could save time and expense for all concerned.

- Each agency should be required to review its public records requests to determine the heaviest types of demand for documents and the major problems in fulfilling that demand. The agencies should then respond by making the high-demand documents open for review online or otherwise easily accessible without the need for citizens to file formal requests. Government forms that routinely require redactions for privacy or other reasons before release should be structured to accommodate an open data environment.

- The Governor should assign someone to make an annual report on the status of the state's transparency systems and policies, including progress and problems with open data and open records. Alternatively, lawmakers could request the Legislative Auditor to report periodically on how the executive branch is handling these important matters. The leaders of the judicial and legislative branches should do likewise as appropriate to each branch to better inform voters.

Why not the best?

Louisiana already has one of the best transparency websites in the country, but that is not reason to stop innovating and improving. The state can take immediate steps, such as posting government employee salaries and credit card transactions online. Other intermediate steps, such as providing information on state debt and Medicaid expenditures, might take more time but can rely on information that already exists. Advanced improvements, such as adding local government and modernizing usability, might take more time and money but are likely worth the effort. Improving transparency is a continual process, not something that can be done and forgotten. Hopefully state policy makers will agree.