

**SB**

**201**

# HOUSE COMMITTEE REPORT

(7)

Date Referred to Committee: March 28, 2008

FURTHER REFERRALS: Finance

Date of Committee Action: 4-5-08

The STATE AFFAIRS Committee considered:

CSSB 201(FIN)

CS FOR SENATE BILL NO. 201(FIN)

PUBLIC FINANCE WEBSITE

"An Act relating to the establishment and maintenance of an Internet website providing public finance information; and identifying the information to be available on the Internet website."

Recommends it be replaced with  HCS or  CS for \_\_\_\_\_ (\_\_\_\_\_) For Senate Bill with new title:  Technical Title  New Title: HCR \_\_\_\_\_ |  Same Title |  New Title

- attach amendments
- add new referral to \_\_\_\_\_ Committee
- Letter of Intent \_\_\_\_\_ Committee

List of Abbrev for Depts.:  
ADM  
CED  
COR  
CRT  
EED  
DEC  
DFG  
GOV  
HSS  
LWF  
LAW  
LEG  
MVA  
DNR  
DPS  
REV  
DOT  
UA

<u>NEW FISCAL NOTES</u>				
*Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
ADM				✓

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
<i>[Signature]</i>	Doll	X			
<i>[Signature]</i>	Grucenberg	✓			
<i>[Signature]</i>	Roses	X			
<i>[Signature]</i>	Johnson	X			
<i>[Signature]</i>	Johnson			X	
Chair: <i>[Signature]</i>	LYNU	X			
Chair: <i>[Signature]</i>					

# ALASKA STATE LEGISLATURE

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Co-chair  
Joint Armed Services Committee

Member  
Resources Committee  
Judiciary Committee  
Transportation Committee

Senator\_Bill\_Wielechowski@legis.state.ak.us

## SENATOR BILL WIELECHOWSKI

March 27, 2008

Representative Bob Lynn, Chair  
House State Affairs Committee  
Room 104, State Capitol  
Juneau, Alaska 99801

I respectfully request a hearing on SB 201, the Alaska Open Government Act. This bill calls for the creation of a free, searchable website that provides Alaskans with easy access to detailed and comprehensive information on state spending. This will encourage better understanding of state operations and, ultimately, reduce waste and ensure that funding is directed to the state's most important needs.

Across the country, taxpayers are clamoring for better information and greater accountability from government. The federal government recently posted its expenditures online at [www.federalspending.gov](http://www.federalspending.gov), following passage of the bipartisan Federal Funding Accountability and Transparency Act. In 2007, five states (Kansas, Texas, Oklahoma, Minnesota and Hawaii) passed similar legislation calling for the creation of on-line databases with their state's expenditures. Seventeen other states are currently considering "taxpayer transparency acts," including Washington, New Mexico, Kentucky, Michigan, Illinois, Georgia, and Colorado.

SB 201 will give Alaskans easy access to detailed information on state expenditures and revenue, empowering them to become fiscal watchdogs. It will lead to greater government accountability and a public better able to assist in making difficult government decisions.

Thank you for your speedy consideration of this request.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Wielechowski".

Senator Bill Wielechowski

# ALASKA STATE LEGISLATURE

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Co-chair  
Joint Armed Services Committee

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Sen.Bill.Wielechowski@legis.state.ak.us

## SENATOR BILL WIELECHOWSKI

### **Sponsor Statement: SB 201 The Alaska Open Government Act**

The intent of S.B. 201, the Alaska Open Government Act, is to create a free, searchable website that provides Alaskans with easy access to detailed and comprehensive information on state spending. This will encourage better understanding of state operations and, ultimately, reduce waste and ensure that funding is directed to the state's most important needs.

Across the country, taxpayers are clamoring for better information and greater accountability from government. The federal government recently posted its expenditures online at [www.federalspending.gov](http://www.federalspending.gov), following passage of the bipartisan Federal Funding Accountability and Transparency Act. In 2007, five states (Kansas, Texas, Oklahoma, Minnesota and Hawaii) passed similar legislation calling for the creation of on-line databases with their state's expenditures. Thirteen other states are currently considering "taxpayer transparency acts," including Washington, New Mexico, Kentucky, Michigan, Illinois, Georgia, and Colorado.

SB 201 will give Alaskans easy access to detailed information on state expenditures and revenue, empowering them to become fiscal watchdogs. It will lead to greater government accountability and a public better able to assist in making difficult government decisions.

Please join me in supporting this much needed legislation.

# FISCAL NOTE

**STATE OF ALASKA**  
**2008 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: CSSB 201(STA)  
 (S) Publish Date: 2/13/08

Identifier (file name): SB201-DOA-DOF-1-28-08 Dept. Affected: Administration  
 Title: "An act relating to establishment and maintenance of an  
Internet website providing public finance information..." RDU: Centralized Admin Services  
 Sponsor: Senators Wielechowski and Ellis Component: Finance  
 Requester: \_\_\_\_\_ Component Number: 59

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>								
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<b>CHANGE IN REVENUES ( )</b>								
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2008) cost: \_\_\_\_\_

**POSITIONS**

Full-time							
Part-time							
Temporary							

**ANALYSIS:** (Attach a separate page if necessary)

The Division of Finance is currently building such a website at the direction of Governor Palin. The source of the financial information will be the State's new Alaska Data Enterprise Reporting System (ALDER), which is currently in field testing by State departments.

This project has been incorporated into the Division of Finance ongoing workload. Therefore, no additional funding needs are anticipated.

Prepared by: Kim Garner, Director  
 Division: Finance  
 Approved by: Kevin Brooks, Deputy Commissioner  
Department of Administration

Phone 465-3435  
 Date/Time 1/28/08 10:00 AM  
 Date 1/28/2008

## **Benefits of the Alaska Open Government Act**

*Thomas Jefferson's thoughts on government transparency (from 1802):*

"We might hope to see the finances of the Union as clear and intelligible as a merchant's books, so that every member of Congress and every man of any mind in the Union should be able to comprehend them, to investigate abuses, and consequently to control them."



# AMERICANS for TAX REFORM

Grover G. Norquist  
President

January 30, 2008

Dear Committee Member,

I write to urge you to lend your support to SB 201, the Open Government Act sponsored by Sen. Bill Wielechowski.

The Open Government Act would create a single, searchable Internet website providing comprehensive information on state government finance - both revenues and expenditures greater than \$10,000, including, but not limited to grants and contracts. This measure would provide an important step towards greater fiscal accountability.

Since the passage of the Federal Funding Accountability and Transparency Act of 2006 which resulted in the creation of [www.USASpending.gov](http://www.USASpending.gov), Americans for Tax Reform has been working with policymakers and activists around the country to pass legislation and get executive orders signed that emulate and ideally go beyond the federal legislation.

In 2007, five states (Kansas, Oklahoma, Texas, and to a more limited extent Minnesota and Hawaii) passed legislation that mandates the creation of comprehensive websites for state expenditures. In most cases, these bills enjoyed broad bipartisan support. Several other states including Texas, Missouri, South Carolina, and, just this month, Louisiana have already taken executive action or are looking to do so.

Several of the websites mandated by legislative or executive action have already gone live, and provide taxpayers with an opportunity to track their tax dollars at a mouse-click. Among these are Texas, Oklahoma and Missouri, and all these sites have been very well received so far.

This spending transparency effort is consistent with the Founding Fathers' notion of accountable government: It was Thomas Jefferson, who once said: *'We might hope to see the finances of the Union as clear and intelligible as a merchant's book, so that every member of Congress and every man of any mind in the Union should be able to comprehend them, to investigate abuses, and consequently to control them.'*

Creating such a website would provide Alaska taxpayers with a tool to access, search and easily find relevant spending information, and ultimately foster a better understanding of the ways in which government operates. Ultimately, it would help reduce fraud, waste and abuse. Opacity in the way government spends tax dollars often leaves taxpayers frustrated, and can create the perception of possible abuse of the system.

More public scrutiny will help eliminate impropriety in dealing with taxpayer dollars - be it perceived or real impropriety.

Because it goes back to one of the most fundamental principles - accountability - this movement has broad bipartisan support. This is not a Right-Left issue, it is a Right-Wrong issue. There may not be agreement on how the money should be spent, but there is agreement that taxpayers should be able to scrutinize government expenditures. In today's digital age, there is no justification for keeping taxpayers in the dark as to how their tax dollars are being spent.

The founding fathers had the vision, and today, we have the tools at our disposal to make that vision a reality – at little cost to taxpayers:

- *The Missouri Accountability Portal, an expenditure website created via executive order by Gov. Matt Blunt, was created without the appropriation of a single additional tax dollar.*
- *The Oklahoma website, which just went live on December 28, 2007 and can be accessed at [www.openbooks.ok.gov](http://www.openbooks.ok.gov), initially carried a price tag of \$300,000. In the end the implementing agency reported that the website cost only \$8,000 plus expended staff time.*
- *Even the federal grant and contract website which was unveiled in December and is accessible at [www.USASpending.gov](http://www.USASpending.gov) was put together at a price tag of less than \$1 million – and that covers grants and contracts of the entire federal government. The software that was used to create the federal site will soon be available as open source software.*
- *Companies like Google and Microsoft have offered to partner with states in their endeavours to make government spending information more accessible, helping to further defray cost.*

One thing we suggest should be considered as this bill moves forward, is to drop the \$10,000 threshold for disclosure, and to include of the actual expenditure document – the grant, contract, or purchase order for example. This would help taxpayers to get an even clearer picture of how their tax dollars are spent.

With this bill, Alaska has the opportunity to empower its taxpayers, and that is an opportunity that should not be missed.

Americans for Tax Reform urges your support for SB 201 and is looking forward to working with you to advancing accountability and transparency for the sake of Alaska taxpayers.

Onward,



Grover Norquist

## Alaska opens checkbook to public

By Pat Forgey | JUNEAU EMPIRE

Alaskans who want to make sure their state government is spending their money wisely can now rummage through the state's checkbook, and see what they can find.

The new Online Checkbook feature in the state's Web site lets the public look through listings of all the bills paid and grants awarded by the state government in the last six months.

"It's a very, very good tool for Alaskans to see where their money is going," said Gov. Sarah Palin at a press conference Monday.

It's a new government program that both ends of the political spectrum agree is needed. National anti-tax advocate Grover Norquist of Americans for Tax Reform and liberal Ralph Nader both support the plans to improve transparency in state government. Norquist testified before a legislative committee supporting the effort, as did Steve Cleary of the Alaska Public Interest Research Group.

Visitors to the Online Checkbook site can look up all the checks and payments made by the state so far this fiscal year, with some notable exceptions. Public employee salary information, while legally public, is not on the site. Nor are payments of less than \$1,000.

Sen. Bill Wielechowski, D-Anchorage, praised the effort Monday.

"I think there are going to be times when elected officials would rather not have this online, but it holds us accountable," he said.

Among those interested in the Online Checkbook are likely to be businesses, which may want to see how much the state is paying their competitors, he said. Those businesses may even underbid their competitors the next time around, and save the state some money.

Wielechowski said other states that have made similar efforts have gotten millions of hits on their Web sites. He brought the idea for a bill requiring the Online Checkbook to the Palin administration and got a positive response.

"They came back to us and said, 'You don't need the bill. We'll just go ahead and do it ourselves,'" he said.

Wielechowski said he's still planning to go ahead with his bill, however, and said elected officials should make the call - and take the heat - about what should and should not go online.

Requiring the state to post the information online ensures that it will remain there, even when administrations change, he said.

"If the Legislature has a say, it gives it permanence," he said. "Look at how many things Palin has reversed that (former Gov. Frank) Murkowski did."

Wielechowski said Department of Administration staff who put the information online exceeded expectations, but said the early version needs more work.

"It's a good start, but it's a little rough," he said. He said he'd like to see aggregated data and more specificity. In some cases, it is difficult to tell what a bill is for.

"We'll continue to refine the tool and respond to suggestions for improvement," said Annette Kreitzer, commissioner of the Department of Administration.

Information from the site can be downloaded in both spreadsheet and PDF formats, with additional lookup and analysis options under consideration, state officials say.

- Contact reporter Pat Forgey at 586-4816 or [patrick.forgey@junEAUempire.com](mailto:patrick.forgey@junEAUempire.com).

## **A peek at the state's pocketbook**

by Bill McAllister

Monday, Feb. 11, 2008

JUNEAU, Alaska -- Surfing the Internet now can include a review of the way the state of Alaska spends your money.

The Palin administration has established a state checkbook online. While it may not pose any threat to YouTube, one supporter says similar sites in other states have generated millions of hits.

In any case, Alaskans can look inside state finances with just a few keystrokes.

"It certainly is providing a new connection now between the state's financial information and the people," said Gov. Sarah Palin.

The online checkbook was officially launched last week as part of the administration's stated mission to make state government more transparent.

The site, with Excel spreadsheets and PDF files, can be searched by government agency, by vendor and by account, with purposes for the financial transactions listed.

Gregg Erickson, former publisher of the independent newsletter the Alaska Budget Report, applauds the governor.

"It's definitely a good sign. I think every governor learns that if they don't already know it that it's a lot easier to govern if you can control the flow of information," Erickson said. "If Sarah Palin didn't know that when she was elected, I'm sure she's figured that out by now. But that doesn't mean she still doesn't care about the idea of trying to make public information accessible."

House Finance Co-Chairman Mike Chenault tried out the website and says for him it might raise as many questions about state spending as it answers. He wonders if it will really give Alaskans confidence in the system.

"Is it too much information, or not enough information? I don't know. We'll have to look at it and see," said Chenault, R-Nikiski.

Sen. Bill Wielechowski, who has been working with the administration on the idea, has a bill to make it permanent.

"I think it's important that we enshrine this in law so that future governors have to do that as well. and Also I think it's important that we go ahead and have a public debate about what kind of things should be included in there, what kind of things perhaps shouldn't be included in there," said Wielechowski, D-Anchorage. "This bill gives the Legislature an opportunity to really have a say in what kind of things are in there and the public in general, since we will have public debate on it."

Still, even fans of the site have their criticisms. Wielechowski says the website should have the dates of transactions. And Erickson objects to the listing only of transactions of more than \$1,000.

The governor says she's fine with that.

"We're always in a position of being told what we can do better, so that's OK," she said.

While the site is up and running, the administration hasn't logged off of discussions about how to improve it.

Contact Bill McAllister at [bmcallister@ktuu.com](mailto:bmcallister@ktuu.com)