

IOWA TRANSPARENCY NEWSLETTER



Transparency Includes Accountability

by Jennifer L. Crull

“The same prudence which in private life would forbid our paying our own money for unexplained projects, forbids it in the dispensation of the public moneys.” - Thomas Jefferson¹

Usually this time of year the *Iowa Transparency Newsletter* is ready to run with updated information from Vote Tally and Bill Tally, but since the Iowa Legislature has yet to approve a budget as I write this article, we are unable to update you on the information about how much your state Legislator voted to spend or proposed to spend. I believe that this brings up a very important point of transparency: accountability. As our state Legislators are arguing about how much money to spend on the various state departments, it is time for us to ask what is our return on the investment of our tax dollars.

Transparency has been a big-name item since President Barack Obama campaigned so heavily on this topic. We have

heard the most about transparency being applied to financial transactions of the government, but there is another important aspect of transparency, which is to “demonstrate a return on investment.”² Now what do we mean by return on investment (ROI)? Any first year business student understands the importance of reviewing the ROI of a program, but as taxpayers we aren’t so quick to think about a ROI with reference to our tax dollars. But as the federal and state governments have grown in employees, expenditures, and debt, looking at ROI is a much-needed approach.

Senator Charles Grassley released a statement on June 6, 2011, about the audits filed for FY 2010 on the Department of Defense. Grassley’s staff had reviewed all 113 audits from the Inspector General. The staff stated that “15 reports are ‘good to very good.’ But other reports earn more negative assessments for failing to track the tax dollars, taking too long to complete

and losing the money trail, and other shortcomings. The report assigns a D- grade overall to the 113 audits.”³ Grassley also stated that “[a]s a watchdog, I get serious heartburn from degraded audit capabilities. It puts the taxpayers’ money in harm’s way. It leaves huge sums of money vulnerable to theft and waste.”⁴ This is a step concerning accountability of our tax dollars.

Accountability is a word that we hear a lot about at the federal level of government, but somehow we are still lacking real change concerning it. When we heard that the Department of Defense was spending \$750 on toilet seats and \$500 on a hammer, the public was in an uproar over the wasting of our tax dollars. We are quick to question ridiculous spending at the federal level, but the question we need to be asking, and for some reason seem afraid to, is whether or not the programs our tax dollars are paying for are effective. We like to believe that the programs

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the government offers are helping people, but the truth of the matter is we rarely get a report on the number of people that are being helped and what difference these programs make in peoples' lives.

Hence the need to look at the ROI of a program. By looking at the ROI of a program we will know if it is being effective and if taxpayers are really getting the most "bang for their buck" for their tax dollars. I know it is scary or taboo to think about cutting programs, but when we get stuck in the mentality of "this is the way we have always done things," then it is hard to change and remain effective. This is evident in Iowa. Governor Terry Branstad has decided that the ROI for education has dropped to an unacceptable level. This is why he and Lt. Governor Kim Reynolds are hosting the Iowa Education Summit on July 25-26, 2011, in Des Moines. The administration feels that business as usual isn't the right course for our Department of Education and it is time to change the way we do business. The hope is that we will see better test scores, lower dropout rates, higher achievement of our students, and a more prepared workforce. The hope is also to achieve better control on the spending that is happening at the state government level and local level with increasing property tax rates from the local school districts. Thus it will be very interesting to see how this all develops.

Public Interest Institute has published several new *POLICY STUDIES* that can be viewed at www.LimitedGovernment.org.

These *POLICY STUDIES* include:

The State of the State

Tax and Expenditure Limits II: Are There Additional Options?

"A Great Devourer of Good Men" and Women

But the truth of the matter is we need to take this approach for all departments of government. Government does serve a vital purpose, but it is important, with only so much money to go around for funding the various projects and programs, that we understand what the priorities are and know what has the higher ROI for the taxpayers. I know that this methodology has been a "sacred cow" in government management, but as we see debt skyrocket out of control at the federal level and the state of Iowa trying to repay the debt from Governor Culver's I-JOBS program, it is time to change our way of thinking.

I am sure that many of you have not heard of the Website ResultsIowa.gov, nor have any idea about what is contained on this Website.⁵ The Pew Center on the States commented, on their Website, how in addition to “showing citizens exactly where their money is going, a transparent government also uses the Internet to show them whether their money is being spent effectively to produce real results.”⁶ The Website then lists the states that are an example of trying to accomplish this. Believe it or not, Iowa is listed and the Website is playing up the Results Iowa Website.⁷ The exact wording is:

Iowa has developed the Results Iowa Website, which provides the governor’s Strategic Plan that lays out the priorities for the state. In addition, the site provides information for each department within state government, including strategic plans, performance plans, and performance reports that departments use to chart their progress. By clicking on any of the departments, users will find these resources as well as an overview of how the state is doing on the specific departmental measures, and what the department is doing to improve their performance on those measures.⁸

Now I had to admit, I had never heard of this Website. So, I went to the Iowa.gov Website and searched for Results Iowa. Nothing. Wow, if this is such a great Website, why aren’t more people aware of it? I then took the time to visit the Website and review the material on it. This Website looks like it was going on about the same time the government started the OpenUp.Iowa.Gov Website. As we well know, that Website completely changed its focus and now only lists information about boards and commissions for the state. The Results Iowa Website looks like it was a good start to sharing information, but it really needs to be updated, since some of the information on this Website is from 2009 (though some information has been updated in 2011). If the state is going to host this Website, then it should be used to share information with the public about how effectively our tax dollars are being used. The citizens of Iowa would like to know the return they are receiving on the investment of their money.

I know it seems strange to start using ROI in government spending, but this approach is really the best approach to maximize our tax dollars and make sure that we are funding the programs that make a difference in the lives of Iowans. So I would urge every reader to take the time when you are discussing the budget with your elected officials to ask about the ROI of the different programs and urge

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them to understand how different programs are effective. Then we will start to see more transparency in our government and better use of our tax dollars.

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Your support helps us provide public policy research on the issues facing both Iowa and the nation as well as the importance of free-market and constitutional ideas.

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Audits Earn D- Grade, Improvements Needed,” Press Release from U.S. Senator Grassley’s Office, <http://grassley.senate.gov/news/Article.cfm?customel_dataPageID_1502=35089> accessed on June 10, 2011.

⁴ Ibid.

⁵ *Results Iowa*, State of Iowa, <<http://www.resultsiowa.org/>> accessed on June 9, 2011.

⁶ The Pew Center on the States.

⁷ Ibid.

⁸ Ibid.

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Endnotes

¹ *Founders’ Quotes*, <http://www.foundersquotes.com/Thomas_Jefferson/the-same-prudence-which-in-private-life-would-forbid-our-paying-our-own-money-for-unexplained-projects-forbids-it-in-the-dispensation-of-the-public-moneys/> accessed on June 9, 2011.

² “Transparency in Government,” The Pew Center on the States, <<http://www.pewcenteronthestates.org/initiatives/detail.aspx?initiativeID=51210>> accessed on June 9, 2011.

³ “Grassley: Defense Department

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