



Window on State Government

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Notice of Holiday Hours

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Texas Comptroller Susan Combs Says State Has Tightened Its Belt Through Transparency Initiatives

Combs Initiates “Open Book Texas” to Ensure Tax Dollars Go Farther in Challenging Economic Times

(AUSTIN) — Texas Comptroller Susan Combs says transparency initiatives have allowed the state to tighten its belt by shedding light on potential savings. Today, Combs introduced “Open Book Texas,” a three-part effort to ensure tax dollars go farther in challenging economic times. The three projects include Texas Smart Buy, the *Texas Transparency Check-Up* Web site and the Single Set of Books initiative.

“It is clear that we have entered an era of great economic uncertainty, and government must make the most of every dollar, just like millions of working families,” Combs said. “Texans deserve to know their tax dollars are being used wisely. Families are cutting expenses and looking for ways to save. Government must do the same.”

In January 2007, Combs began posting Comptroller’s office expenditures online — down to the cost of pencils. The searchable database on the Comptroller’s award-winning *Where the Money Goes* Web site now includes detailed payment and spending information for all state agencies.

“*Where the Money Goes* provides transparency to taxpayers, and we discovered that our emphasis on transparency made our own operations more transparent to us,” Combs said. “We were able to better analyze where and how we were spending money within our agency and where and how we could save.”

Combs' agency has saved \$4.8 million and identified an additional \$3.8 million in expected cost savings. Some examples of the cost savings at the Comptroller's office include saving \$73,000 by consolidating multiple contracts for toner cartridges and establishing separate post office boxes to receive different types of tax payments, thereby avoiding having to spend \$328,000 to buy and maintain a new mail sorter. These savings allow the agency to strengthen core functions without requesting additional funding from the Legislature.

"Now we are moving forward to apply some of those same transparency and 'buying smart' strategies that have been successful at our office to take an unprecedented look at Texas government spending," Combs said. "Our Smart Buy initiative has already begun digging through what state agencies spend annually for goods and services."

The new Texas Procurement and Support Services Division at the Comptroller's office manages more than \$1 billion of the state's contracts for goods and services on behalf of more than 180 state agencies and 1,700 local government agencies.

The Comptroller expects to save at least \$28 million in Phase One of Texas Smart Buy. The savings and cost avoidance represent more than 8 percent of state spending for certain goods and services. The spending categories examined so far include:

- Overnight/express mail — The state saved 36 percent, or \$3.8 million, and awarded a significant portion of the contract to a Texas-based vendor.
- Outgoing mail machines — The state saved 20 percent, or \$700,000, by negotiating a new contract with a long-time vendor.
- Asphalt — The state used to solicit hundreds of bids per year when the Texas Department of Transportation needed asphalt for road projects. This month, the state will finalize a new term contract with about 100 vendors statewide that TxDOT can use at any time. By negotiating and locking in prices, the state expects to avoid \$9 million in costs over the year.
- Fleet — The state expects to save \$5.7 million on fleet vehicles through contract negotiations. Also, for the first time, the state will look beyond the sticker price to consider the cost of fueling vehicles for 100,000 miles and other operating expenses.

"The state of Texas is one of the largest purchasing entities in the nation, and we need to make that leverage work for us," Combs said. "We should always try to negotiate a better deal and never be afraid to ask for a better price. It is just common sense."

The state government's smart buying can benefit local governments as well.

"In a few weeks, we will launch a new online ordering system called TxSmartBuy," Combs said. "It is an online shopping cart, much like you see on retail Web sites, that will allow state agencies, public universities and local governments to search for goods and services, compare prices and specifications and order directly through the site, saving money by taking advantage of the state's bulk buying power."

This week, as part of "Open Book Texas," Combs also launched another Web site, *Texas Transparency Check-Up*, at www.openbooktexas.com, to help make local government spending more transparent.

"Transparency leads to efficiency," Combs said. "To ensure the government is watching its dollars and cents, Texas taxpayers should be able to review spending at all levels of government. Cities, counties, school districts and other tax-supported entities should use this powerful resource to develop strategies for posting their budgets and detailed expenditures on their Web sites. This also makes it easier for local

governmental entities to tighten their belts when needed.”

The Comptroller's office researched the financial transparency of the top 50 Texas cities, Texas counties, school districts and other local entities. *Texas Transparency Check-Up* reveals the results. The site also offers local governments step-by-step advice for posting information online and presenting it in a way that is readable and understandable to the public. The Web site highlights local government success stories, provides links to exemplary local government Web sites and gives taxpayers tips to ensure that their government is open and accountable.

In the coming months, the Comptroller's office will issue a report card grading state agencies and local governments on making their financial information transparent and accessible.

“In the age of the Internet, there is seldom a good reason why government cannot keep citizens informed about how tax dollars are spent,” Combs said. “This emphasis on transparency is not only about making local governments more accountable to citizens; it is equally about making local governments stronger and better. As our own experience shows, if you know what you are spending, you know how to spend better. We support that philosophy at every level of government.”

Combs also expects improved government accountability from the third “Open Book Texas” project, the Single Set of Books initiative. The 2007 Legislature asked the Comptroller to create an advisory council with other state agencies to examine uniform financial accounting in state government. The council's official report is nearly complete.

“Currently, a state agency may have its own way of bookkeeping and its own codes for tracking and classifying items,” Combs said. “This could lead to the state having different sets of conflicting data. To get a true picture of state finances, we need a single set of books, and all agencies need to speak the same language.”

Uniform financial reporting across all state agencies and higher education institutions will shine the brightest light on the state's finances and allow state leaders to obtain real-time, reliable information to make well-informed decisions.

“Texas families need to know that government is not wasting their tax dollars, because in this uncertain economy, no one has dollars to waste,” Combs said. “We need to be sure we are showing the same common sense, resourcefulness and thrift as any hard-working family.”

The Comptroller's new Texas Transparency Check-Up Web site for local governments is located at www.openbooktexas.com. Where the Money Goes, a transparent look at state spending, can be found at www.window.state.tx.us/wherethemoneygoes.

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