A New Era in Transparency

New Jersey residents should be able to quickly and easily find out how their local tax dollars are collected and spent. Cities and states around the country are using modern technology to provide online spending transparency tools that include:

- **Online checkbooks.** Modern transparency websites contain interactive checkbooks with line-item level detail. The best online checkbooks are sortable, searchable, and downloadable.

- **Information on tax expenditures and contracting.** Transparency tools allow residents to assess the fairness and the value of tax breaks and explore vendor contracts awarded by local government.

- **User-Friendly Budget Documents.** Traditional budget documents can be unwieldy. New Jersey is among the states that require municipalities to make simplified and easier-to-read budget documents available online.

New Jersey Cities Are Failing to Meet Modern Standards of Transparency

An assessment of the websites of New Jersey’s 15 largest municipalities reveals that each lags significantly behind the emerging national standard for online budget transparency. None provide an online checkbook – a basic transparency tool that has been adopted by communities of all sizes, from 5,600-person Wellston, Ohio, to New York City. And some even fail to provide basic information, like the User-Friendly Budget Documents required by state law.
Signs of Promise

A few New Jersey municipalities have taken positive steps toward modern transparency. Jersey City and Newark offer modern, centralized transparency websites that offer open data available for citizens to download and use or analyze as they see fit. These sites offer useful information on a variety of topics, but when it comes to financial information, they offer only top-line spending totals by city department. And the city of Trenton provides copies of contracts awarded to private businesses that perform public services – although it is not clear whether all contracts are provided. By building on this foundation, and expanding the information available to citizens, New Jersey municipalities can help to create government that is more transparent, accountable and effective.

An Opportunity for Improvement

It is time to bring modern, checkbook-level transparency to all New Jersey municipalities. To do so, local budget offices – with help from the state – should begin putting all critical budget information online, including contract and tax expenditure information. They should also immediately begin to develop online systems for providing checkbook-level spending data.

The ability to see how government uses the public purse is fundamental to democracy. By embracing modern transparency, New Jersey municipalities can give their residents the information they deserve, while making their governments more open and more effective.

Budget Transparency Brings Important Benefits and Savings

Municipalities that follow modern transparency standards report a host of benefits. Residents, watchdog groups, companies and government officials can use spending websites to save taxpayer dollars and increase governments’ responsiveness to constituents. These municipalities tend to realize significant financial returns on their investment.

The savings come from sources big and small – reduced fraud, more efficient government administration, less staff time spent on information requests, and more competitive bidding for public projects, to name just a few – and can add up to millions of dollars.

Newark offers a glimpse of the spending transparency possible using modern internet technology. However, the city transparency website does not offer budget information beyond top-level budget categories, and is only useful for answering basic budget questions.

For more information and the full report, please visit www.NJPIRGStudents.org

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