ARKANSAS CENTER FOR RESEARCH IN ECONOMICS

TOP 10 POLICY GOALS 2023

Policy solutions for economic problems in Arkansas.



OCCUPATIONAL LICENSING Top Policy Issues and Solutions

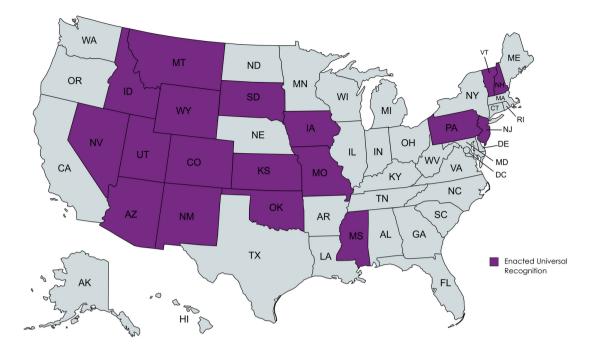
State occupational licensing laws have received more attention from researchers and legislators in recent years. This form of occupational regulation requires workers to acquire a state license to practice a trade. Data on occupational licensing has been scarce until recent years. But an increase in the availability of data and the increase in the number of studies that analyze the consequences of occupational licensing has revealed that licensing rules often create unnecessary burdens for people entering the workforce and also limit geographic mobility of existing license holders to move between states. Consequently, researchers and policymakers have begun to recommend reform.

Arkansas has one of the most burdensome sets of licensing laws in the United States, according to data from the Institute for Justice, which ranks the state as the 9th worst state as measured by the number of occupations licensed and the burdens imposed by the regulations. Our neighbors like Missouri and Mississippi score far better. During the 2019 Legislative Session, the Arkansas Legislature passed Act 600, which mandates that only "the least restrictive form of occupational authorizations to protect consumers from significant and substantiated harms to public health and safety" be used in state regulations. The Occupational Licensing Review (OLR) Subcommittee was created to fulfill this mandate. A similar strategy in Texas, in place now for decades, shows the effectiveness of this approach. The Texas Sunset Review Commission estimates that for every \$1 appropriated to the commission, \$18 has been returned to the state's economy.

Unfortunately, the OLR Subcommittee has not yet had a similar effect in Arkansas. The subcommittee has been through two full rounds of licensing reviews, with little to show for it thus far. After the first round of reviews from late 2019 through 2020, the subcommittee produced five official recommendations, none of which ultimately became legislation. The second round, from late 2021 through the end of 2022, saw the committee produce no official recommendations.

The OLR Subcommittee has had a sluggish start in Arkansas, and while their work remains important, there are several other areas ACRE considers important to supplement a broader strategy of licensing policy reform.

Universal Licensing Recogntion



Problem: To continue practicing their professions, licensed workers from other states often must repeat the licensing process when moving to Arkansas. This unnecessary barrier could convince them to move to other states. Many states, including neighboring Missouri, Mississippi, and Oklahoma, have removed similar barriers through universal recognition. Universal recognition allows licensed workers from other states to automatically get a license, as long as they have one year of experience and are in good standing. Under the current status quo, Arkansas risks losing talented professionals to neighboring states with friendlier licensing recognition policies.

As of December 2022, 18 states have enacted universal licensing recognition legislation including Arizona, Colorado, Idaho, Kansas, Mississippi, Missouri, Montana, Nevada, New Hampshire, New Jersey, New Mexico, Oklahoma, Pennsylvania, South Dakota, Utah, Vermont, and Wyoming.

Solution: Arkansas should enact universal licensing recognition legislation comparable to laws passed already in the neighboring states of Missouri, Mississippi, and Oklahoma. A legal framework for universal recognition already exists in Arkansas, since <u>Act 135 of 2021</u> was enacted in the legislative session of that year for the spouses of active duty military personnel. It makes sense that if universal recognition benefits military spouses, it would also benefit other individuals who are either interested or compelled to move states.

Follett, T., Herman, Z., and Hentze, I. (2021). Universal licensure recognition. National Conference of State Legislatures. <u>https://www.ncsl.org/research/labor-and-employment/universal-licensure-recognition.aspx</u>

Deyo, D. and Plemmons, A. (2022). Have license, will travel: measuring the effects of universal licensing recognition on mobility. Economics Letters. 219.

Problem: Many professional licenses in Arkansas have disproportionately high education or training requirements relative either to the demands of the profession or to standards in other states. For example, fire alarm installers in Arkansas must undergo a two-year apprenticeship -- that's 4,000 working-hours -- before earning their full licenses. That's compared to completing a 22-hour course in South Carolina and a 28-hour course in Mississippi. The financial burden of licenses can also be very high, acting as a barrier for some individuals who might otherwise pursue a career in the licensed profession. Prospective massage therapists in Arkansas must pay a fee of \$216.50[JH2] every other year to legally practice, compared to just \$55 in Oklahoma. While these fees and training requirements may not seem to create a large barrier on their own, combined with the other difficulties of entering a new profession they can be significant deterrents, particularly for low income individuals.

Solution: The Occupational Licensing Review Subcommittee should make it a priority to match Arkansas's licensing requirement to those of the least restrictive state's requirements. If other states can effectively protect public health and safety with lower licensing requirements, then it stands to reason that Arkansas can do the same. In circumstances where the least restrictive state requirements come from a state with significant economic differences than Arkansas, the state should match the least restrictive regional licensing requirements neighboring or other Southern states use.

Occupation	Arkansas req.	Other state's req.
Fire Alarm Installer	2-year apprenticeship	22-hour course (SC)
Manicurist	600-hour course	150-hour course (VA)
Auctioneer	\$334 fee	\$52 fee (MO)
Landscape Contractor	\$200 fee	\$35 fee (FL)

Table 1.

Source: Deyo, D., Knepper, L., Sweetland, K., Tiezzi, J., and Mena, A. (2022). License to work: A national study of burdens from occupational licensing. 3rd Edition. Institute for Justice. https://ij.org/report/license-to-work-3/

Problem: Licensing is the heaviest form of regulation that state governments apply to certain jobs, often creating significant barriers to people trying to enter the workforce. Most people are aware that doctors and lawyers are licensed, but licenses cover many more areas of work, ranging from landscapers and roofers to acupuncturists and massage therapists. Licensing has also grown dramatically in recent decades. In 1950, roughly five percent of occupations were licensed, but these days it's closer to 25 percent. While licensing can be useful in some areas, there is growing research to suggest that much of the time it is overkill and can actually be harmful by raising the cost of services and artificially limiting the number of service providers without providing any clear additional benefits to public health and safety.

Solution: There are many other strategies the government can, and does, use to regulate professions and ensure consumer health and safety. These alternatives include registrations, certifications, inspections, and voluntary associations. For example, restaurants, which have a major impact on public health and safety, are regulated through inspections rather than by requiring cooks and servers to get licenses. Licenses most often require significant fees and education ranging from hundreds to thousands of hours. Certifications are similar, but typically require much lower fees and fewer hours. Registrations often consist of paying a small fee and adding one's information to a registry. Voluntary associations and bonding can provide financial protections and signal quality of service to consumers without relying on government intervention. There are many licenses where these lesser forms of regulation could be sensibly applied, while still maintaining sufficient oversight to protect public health and safety.

A combination of voluntary and regulatory strategies can be used in most cases to ensure protection of public health and safety. The table below illustrates these options.

Table 2.

Consumer Concern	Voluntary/Regulatory Response	
Consumers can't easily assess quality	Consumer reviews, self-disclosure, voluntary certification, voluntary bonding or insurance, government certification	
Fraud	Consumer reviews, self-disclosure, voluntary bonding or insurance, deceptive trade practice acts	
Injuries/Third-party injuries	Voluntary bonding or insurance, private causes of action	
Hygiene/Sanitation	Consumer reviews, inspections	
Fly-by-night providers	Consumer reviews, self-disclosure, voluntary/mandatory bonding or insurance, voluntary certification, registration	

The Occupational Licensing Review Subcommittee should use the above guidelines to form new regulation procedures that are less burdensome than licensing. Licensing is best suited as a last resort for cases in which the above solutions are insufficient. The vast majority of professional regulatory concerns can be adequately addressed using the methods listed above. For some occupations, these committees can once again look to other states to see if they use registration or some other form of regulation, rather than licensure.

Source: Ross, J. (2017). The inverted pyramid: 10 less restrictive alternatives to occupational licensing. Institute for Justice. https://ij.org/wp-content/uploads/2017/11/Inverted-Pyramid_FINAL_cover.pdf

Taxation and State Government Spending

Policy Issues and Solutions

Reform State Spending Through Structural Budget Changes

Problem: Arkansas general fund revenue has increased by a nominal 205 percent between 1992 and 2021. This growth rate is much faster than the overall rate of population growth plus inflation, which is one benchmark that is used to measure how much state revenue should grow. In other words, if state general fund revenue had only kept up with population growth and inflation, the growth rate would have been cut in half.

The Arkansas budget process is also overly complex and cumbersome and could benefit from structural changes made to the Revenue Stabilization Act, or RSA, which governs the overall budget process in Arkansas. The RSA limits legislative spending authority during fiscal years when actual revenue collection falls short of expected revenue forecasts by reducing the number of categories of spending that can be considered during any budget year. However, it is silent as to how to handle revenue that is collected above the current RSA revenue projections for each fiscal year, as has happened for 22 of the past 31 years.

Solution: Arkansas should adopt a Tax and Expenditure Limit, or TEL, to reduce total general fund spending at the state and perhaps local levels as Colorado does through its TEL, known as the Colorado Taxpayer Bill of Rights, or TABOR. As Arkansas attracts more residents, state spending is allowed to increase in an effort to accommodate the needs of a larger population. Including inflation helps tie the limit to a standard measure of the ability of taxpayers to fund government services. As noted above, Arkansas already has a strong foundation to build on in its RSA, but could benefit from adopting a spending growth limit, such as the growth of population and inflation in future fiscal years. Oregon utilizes a similar set of budget rules known as, the Kicker Rule, and limits state "appropriations to no greater than eight percent of projected personal income in Oregon" during the current biennium.

Arkansas should also consider refunding taxpayer dollars to those who paid taxes to the state. Colorado has a four-tiered structure for how funds collected above the TABOR limit must be refunded to municipalities and taxpayers. The tiers in the TABOR refund method could also be changed to route more of any potential future surplus back to taxpayers. This would prevent Arkansas from holding onto taxpayer dollars over long periods and time by returning state money to its original source, the people.

Arkansas would also benefit from reforming its Rainy Day Fund by requiring supermajority rules to utilize any of the over \$550 million currently left in the fund- as of the most recent legislative session. Currently, the Governor has close to full discretion in spending taxpayer dollars, with only a simple majority legislative approval necessary for him to utilize these funds

Additional Resources: ACRE staff have published a number of op-eds, blog posts, and other forms of original research about to improve the Arkansas budget process, some of which can be found at the ACRE Blog.

Check out the Colorado Department of Revenue website which describes how the Centennial State structured its Taxpayer Bill of Rights, or TABOR. These reforms are being analyzed and applied to Arkansas by ACRE staff and will be available by the 2023 legislative session

Texas is another example of how states can control spending by limiting state spending growth to growth in population plus inflation. The Lone Star State recently adopted the Consolidated General Revenue Limit, which "limits the biennial growth of [state] appropriations to the estimated compounded growth of state population and monetary inflation."

Oregon also has a Constitutional budget rule that requires the state to refund surplus funds to taxpayers when actual revenue is 2 percent or higher than forecasted. This refund can either consist of an individual income tax refund or credit, or a corporate income tax refund or credit, depending on which tax was in excess of 2 percent above forecast.

Multiple other states such as California, Massachusetts, Iowa and Montana have budget rules that limit spending by the growth in population and inflation.

Reduce the cost of living for all Arkansans by further lowering the individual and corporate income tax rates

Problem: Arkansas recently adopted a plan to lower the top marginal individual income tax rate to 4.9 percent, the lowest since the state began taxing individual income 93 years ago in 1929.[1] Likewise, the state lowered its top marginal corporate income tax rate to 5.3 percent during the most recent legislative session

However, the state still has progress to make in further lowering both the individual and corporate income taxes since ten states reduced both their individual and corporate income tax burdens this year alone. There have been multiple studies that show both households and businesses prefer to leave locations with higher tax burdens and relocate to states and municipalities that have lower tax burdens.

Arkansas's neighboring states also implemented individual income tax rate cuts and other tax savings reforms in the past year. Mississippi eliminated its 5 percent income tax bracket and will reduce its current flat income tax rate from 5 percent to 4 percent by 2026.

Missouri also adopted incremental individual income tax rate reductions beginning in 2023, with further cuts conditional on sufficient state revenue collections. The second round of cuts could come about through a budget tool known as a revenue trigger. These safeguards prevent structural fiscal deficits from occurring and ensure essential government services can continue to be provided while phasing in statewide income tax relief. If the revenue triggers are met, Missouri will have a top marginal individual income tax rate of 4.5 percent by 2027.

Louisiana voters also approved Constitutional Amendment 2, which capped the top marginal individual income tax rate at 4.75 percent. Subsequently, the Louisiana state legislature also reduced the top marginal individual income tax rate to 4.25 percent beginning in the current (2022) tax year.

^[1] Sims, Richard G. "A short history and recent trends in the Arkansas income tax." Arkansas Business and Economic Review 26.4 (1993): 9-21, Accessed Oct 4, 2022.

Solution: There are many pathways Arkansas could take to further cut its tax burden. It is important for Arkansas to keep moving forward since five of Arkansas' bordering states implemented or enacted reductions in their personal or corporate income tax rates or both in the past year. Arkansas should be mindful as to how it plans to further cut its corporate and individual income taxes to avoid a Kansas-like situation, where the state budget is significantly impacted by cutting taxes too quickly. Many states have enacted successful tax reforms in recent years without the problems that Kansas experienced. The legislature has taken cautionary tales such as this into account by including revenue collection triggers to avoid revenue shortfalls in its most recent tax cut in August 2022

Additional Resources: Op-eds and blogs by ACRE staff discuss how Arkansas can move forward in improving its individual and corporate income tax rates.

There are a variety of resources available through the Tax Foundation that explain the significance of lowering income tax rates on interstate migration, gross state product, patent formation, and state level economic growth.

Enhance state and local government spending efficiency through targeted spending reforms

Problem: Government spending has increased dramatically for specific programs in Arkansas over the past thirty years. These programs could be reformed to reduce taxpayer dollars from going to fund programs that failed to spend taxpayer dollars efficiently and create a stronger spending plan for the state.

Examples:

Administrative spending on K-12 teachers and principals has kept pace and even exceeded its proper limit given the recent decline in student enrollment. As of 2021, statewide student enrollment fell by 1.3 percent, while the number of teachers and principals increased by 0.3 percent, relative to the prior 2020 baseline. Arkansas needs to consider how to remain competitive with other states that pay teachers more than the Natural State.

Programmatic rules within the Department of Transportation which could reduce the rapid budget increases usually associated with so called mega projects need evaluation as well to ensure Arkansas is not overspending for its road construction and maintenance contracts. It is also worthwhile to consider the overall concentration of contractors bidding on projects in Arkansas relative to other states. Utilizing a standard measurement of industry concentration and competition, known as the Herfindahl Hirschman Index, Arkansas scored a 702 while states such as North Carolina and Tennessee scored higher at 837 and 1159 respectively. While this is not conclusive proof that Arkansas has a more efficient highway transportation system, it is clear that there is robust competition for these contracts, which has been shown by Krueger to reduce economic, deadweight loss.

Arkansas could also choose to reduce state expenditures on employee spending by tying incremental increases in public employee spending to a budget rule known as a Tax Expenditure Limit. This would decrease the possibility for self-interested public employees from advocating for increases in pay that do not correspond to increases in productivity. This sort of activity, known as rent-seeking, is pervasive in state governments. Public employee pay schedules could also be tied to the rate of growth of disposable (after-tax) personal income in the state of Arkansas. This would help reduce any premium in pay for public employees that is not concomitant with increases in private sector wages.

Solution: The solutions to these problems are as diverse as the problems themselves. However, Arkansas can learn from other states that reformed their spending patterns in similar areas. For instance, Tennessee modified their K-12 education financing formula to shift more than \$1 billion away from administrators and toward the classroom. They also modified their construction funding rules to reduce mega project waste, which provides Arkansas a potential model to imitate. Economic development incentives spending could be improved by enhancing metering and monitoring efforts by state watchdogs such as the Arkansas Office of Legislative Audit and enhancing provisions in state law that allow the state to reclaim or draw back EDI funding when firms fail to meet the stated goals of their contracts with the state. Finally, Arkansas could build on prior reforms to state employee spending by expanding on past legislative spending reforms in this area.

Additional Resources: There are a variety of resources available about state spending trends. They include the pending publications ACRE Policy Analyst Joseph Johns will release before the beginning of the 2023 legislative session, as well as a 2017 paper by Jacob Bundrick and Jeremy Horpedahl on trends in state spending in Arkansas and competitor states. The ACRE blog can also be accessed now to search for various topics of interest related to state spending trends.

ACRE affiliated scholar, Dr. Jacob Bundrick, has also published multiple resources related to EDI spending in Arkansas. Further content related to this project will be released prior to the upcoming 2023 legislative session.

Reduce state spending on economic development incentives and reallocate these funds toward programs and policies that directly benefit Arkansans

Problem: The state of Arkansas has experienced a rise in economic development incentive spending since the beginning of the COVID-19 pandemic. According to research using the Council for Community and Economic Research's State Economic Development Expenditure Database, Arkansas EDI spending increased by 21.2 percent more per year between FY 2020 and FY 2023 than the preceding 13 previous comparison periods from FY 2007- FY 2008 through FY 2019- FY 2020. During the first 13 years, Arkansas increased spending on EDI projects by an average of 30.6 percent per year. Annual growth in EDI spending increased sharply between FY 2020 through FY 2023 to 41.8 percent average annual change per year. The large majority (65 percent) of this increase occurred between FY 2021 and FY 2022 with a slight 0.9 percent reduction in spending for FY 2023.

Certain programs such as the Governor's Economic Development Quick Action Closing Fund (QACF) experienced a sharp increase in state allocations to accommodate the temporary need of Arkansas businesses and households to sustain their livelihoods post 2020. However, these programs are growing at a faster rate and have less fiscal controls than other similar southern states such as North Carolina and Tennessee. There is also work to be done to improve the overall transparency of Economic Development Incentive programs in Arkansas. Research by labor economist Timothy J. Bartik found that EDI spending has a negligible effect on firm location decisions. This implies that since most subsidies do not pay for themselves through increased economic growth, the money spent on these subsidies should be spent where it can directly benefit Arkansans.

Solution: EDI spending should be reallocated toward one of three distinct policies that will have positive spillover effects on all Arkansans, as opposed to only subsidizing a select number of firms through EDI spending. The first alternative to EDI spending is to lower the individual income tax rate. Reducing this tax burden will help Arkansas attract more entrepreneurs and inventors. There are many positive effects of cutting income taxes discussed above in Issue 2. The second alternative is to reduce the corporate income tax rate with the reallocated EDI funding, which would benefit all corporations in Arkansas, rather than the few politically-connected firms that are able to secure EDI funds. Finally, Arkansas could pursue public programs that have clear positive spillover benefits.

Additional Resources: Check out how Arkansas could implement these programs as described by UCA Lecturer of Economics, Jacob Bundrick's essay on how to reform EDI spending in Arkansas.

Government Transparency

Policy Issues and Solutions

Expand Political and Fiscal Transparency at the local government level

Problem: Arkansas residents need easy access to meetings so they may participate in and oversee the making of policies that affect their lives. They also need access so they can hold public officials accountable for their actions. Taxpayers need to know if their resources are being spent prudently. However, many Arkansas counties and cities still do not publish the time and place of their meetings or meeting agendas online.

Current Arkansas open public meeting law <u>AR Code § 25-19-106</u> law does not sufficiently guarantee that residents will know about meetings and have the opportunity to attend because residents must request the information before it can be provided. The current law has no provision giving residents easy access to meeting agendas, minutes, or videos. Also, although the law (via <u>Act 1028 of 2019</u>) now requires all open public meetings to be recorded, there is no guarantee that residents can easily access information without having to request it first. Further, the law presumes that the media will always be at the meetings to report on the deliberations, which is not always the case. The law also does not provide for adequate notice to media outlets outside the county.

Case example: In 2019, Pope County quorum court members held three meetings without notifying the public. The meetings on May 7, August 1, and August 6 were about awarding a Pope County casino license to one of five contenders.

Solution: Expand the requirements for notifying residents about public meetings

The policy should provide that:

- Entities should publish public meeting times and place notices, agendas, and minutes online. Entities should publish this information on their own website and/or through a public-facing platform such as Facebook or <u>transparency.arkansas.gov</u>, or the Association of Arkansas Counties (AAC).
- Videos of public meetings should be published quickly and for free on their website or a public-facing platform such as Facebook or YouTube. Where resources allow, videos should be live-streamed, so Arkansans who cannot attend in person can watch in real time.

Fiscal Transparency for Cities

Problem: In 2013, the <u>Sunshine 2013 Transparency Report Card</u> revealed that Arkansas counties ranked lowest in the nation for providing online transparency. Against that background, in 2019, the Arkansas Legislature passed <u>Act 564</u>, which requires counties to publish their budgets online. Passing Act 564 helped increase fiscal transparency for counties. Act 564 didn't apply to cities. Passing a similar bill that creates the same standards for first-class cities in the state to publish budgets, agendas, and minutes online will be helpful for transparency. Transparency for local governments serves two purposes. First, it informs residents about the level of government transparency in their local governments and the improvements their governments are making and need to make. Second, it provides researchers and policymakers with the necessary data to analyze the relationship between transparency and economic and socioeconomic factors in Arkansas.

Case example: Recently, Little Rock Mayor <u>expressed concerns</u> about the lack of city-level transparency in Little Rock. <u>Mayor agrees that data transparency builds trust and drives results</u>.

Solution: We propose that fiscal transparency should extend to other local governments like first-class cities. A law that creates the same transparency standards in Act 564 should be enacted for first-class cities in the state to publish budgets online. Act 564 can serve as a model for fiscal transparency for first-class cities. Arkansas first-class cities should become transparent by publishing their budgets, audit reports, agendas, and minutes on their website or a centralized website (such as the Arkansas Municipal League) for cities without their own website.

Problem: During the COVID-19 pandemic, local governments in Arkansas received large influxes of funds, primarily from the federal government, but the transparency of how those funds have been spent is lacking. ACRE research found that Arkansas needs better rules to ensure that the process of spending these funds is transparent for citizens. Read more about the research here: 1. <u>Coronavirus Relief Fund Reporting: How States are Promoting Transparency by Dr. Kalulu.</u> 2. <u>COVID Relief Done Right: A Local Government Transparency Guide for Following the One-Time Influx of Funds By Joyce O. Ajayi and Ashley Phillips.</u>

Solution: Policies should be implemented requiring that all uses of the funds are reported on state or local government websites.

State and local governments can report the use of influx funds on their websites or, alternatively, utilize Arkansas's transparency website (<u>https://transparency.arkansas.gov/</u>) and add a section that provides expenditure information for one-time funds such as the CARES Act and the American Rescue Plan Act funds. The website will include a list of the grant portfolios and entities/agencies receiving money, including a breakdown of how much they were allocated and how much has been spent so far. Some states like <u>Idaho</u> and <u>Missouri</u> have done this successfully. For example, Idaho has been reporting all uses of the relief funds on its state controller's transparency website, while Missouri has been reporting all COVID-19-related funds transparency on its state treasurer's website. <u>California</u> is another state where the fiscal transparency of COVID-19-related funds has been encouraged; their Office of State Audits and Evaluations provides technical assistance to local governments and other groups on using and tracking federal money.

Provide for Procurement Transparency

Problem: The process of procurement often involves large public expenditures being transferred to the private sector. Government procurement of goods and services is highly vulnerable to corruption due to the volume of contracts, the money involved, and the opportunities for bribery. Detecting procurement fraud is challenging because it can occur at any point in the process: presolicitation, solicitation, or submission. Therefore, procurement processes need extra transparency.

Arkansas currently has no law requiring local governments to publish bids and outcomes online. In addition, entities are not required to maintain an online archive for residents to see the bidders, bid winners, and bid amounts. This lack of transparency may encourage corruption.

Case study: A review of data from Arkansas Legislative Audit's "Prosecuting Attorneys Disposition of Matters Referred by the Legislative Joint Auditing Committee for the Period January 31 2018, to December 31 2018, shows that 262 matters were referred to the prosecuting attorneys statewide. These matters were transactions made by a public official or employee reflecting unauthorized disbursements or fund transfers that were unaccounted for. An example at the West Memphis school district was a transaction of \$107,790 for various roof repairs with a business in which an employee had a financial interest. Another example occurred at Westside school district, where the district treasurer pled guilty to five counts of felony theft of property and improper transactions totaling \$178,391. Included in these five counts were payments to personal vendors or fictitious vendors. Another example is the transparency concerns for the <u>city of Little Rock's contract processes</u> and calls for increased transparency when it comes to professional service contracts.

Solution: Local governments should publish bids and outcomes. This includes cities, counties, and school districts in Arkansas. ACRE recommends enacting a law requiring state and local governments to publish online the following procurement information:

- Current requests for proposals (RFPs)
- Archived RFPs
- Current bidders
- Archived bidders
- Current bid amounts, or at least the range of the bid amounts
- Archived bid amounts, or at least the range of the bid amounts
- Current bid winners
- Archived bid winners
- Current winning bid amounts
- Archived winning bid amounts

Such a law will encourage an open bidding process that will reduce the likelihood of favoritism and bribery. The ability to view the winning bids as well as the losing bids promotes transparency and accountability. Various cities, including <u>Chicago, Illinois</u> and <u>Fort Collins, Colorado</u> have transparency legislation, and they make their transactions available on their websites. Chicago introduced the <u>Chicago Transparency in Government</u> <u>initiative</u> in 2003, making final contracts available to the public via its Web site. It also made available other information such as a freedom of information directory, an online permit center, public safety and community e-mail alerts, and 3-1-1 online service requests.

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