

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 However, many Arkansas counties and cities still do not publish the time and place of their meetings or meeting agendas online.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 [AR Code § 25-19-106](#) 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 [Act 1028 of 2019](#)) 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 transparency.arkansas.gov, 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 [Sunshine 2013 Transparency Report Card](#) revealed that Arkansas counties ranked lowest in the nation for providing online transparency. Against that background, in 2019, the Arkansas Legislature passed [Act 564](#), 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 [expressed concerns](#) about the lack of city-level transparency in Little Rock. [Mayor agrees that data transparency builds trust and drives results.](#)

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.

Ensure Transparency of Federal Influx of Funds

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. [Coronavirus Relief Fund Reporting: How States are Promoting Transparency by Dr. Kalulu.](#)
2. [COVID Relief Done Right: A Local Government Transparency Guide for Following the One-Time Influx of Funds By Joyce O. Ajayi and Ashley Phillips.](#)

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 (<https://transparency.arkansas.gov/>) 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 [Idaho](#) and [Missouri](#) 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. [California](#) 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: pre-solicitation, 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 [city of Little Rock's contract processes](#) 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 [Chicago, Illinois](#) and [Fort Collins, Colorado](#) have transparency legislation, and they make their transactions available on their websites. Chicago introduced the [Chicago Transparency in Government initiative](#) 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.