



29 May 2013

Representative Penny Bernard Schaber
Room 122 North
State Capitol
P.O. Box 8953
Madison, WI 53708

Dear Representative Bernard Schaber,

The number one priority for Wisconsin and its communities needs to be jobs. Getting people back to work at wages where they can support a family, own a home, and purchase the everyday necessities. With the decline in the paper industry here, it is of utmost importance that local government continues to nurture and encourage growth of its businesses to maintain a high standard of living.

We would like to do much more; however, we have limited resources that continue to be burdened by additional state mandates and reporting.

The latest proposal for municipalities to be involved in the state's "open book" reporting system creates yet another burden for local government without studying the return on investment. Placing a requirement without implementation costs in the budget is not good policy. With levy limits and expenditure restraints, this new requirement could very well take important human and financial resources away from job one, increasing family supporting employment in our community.

This does not mean that Menasha isn't committed to transparency. Since 2006, Menasha has televised City Council meetings giving residents access to the governing process. In addition, a complete packet of information given to elected officials and board members is posted online. Finally, we post the complete check register of all expenditures twice a month as part of the common council agenda online. Frankly, "open book" would be duplication at best and could result in diminished transparency if resources were to be shifted from current transparency efforts to "open book".

Being that the true costs and benefits of municipal participation in "open book" system remain unknown I ask that you remove the provision from the budget until such data can be collected.

Menasha's goal in 2014 is to expand our efforts to attract and retain employers regionally and in the city proper. To do this we need maximum flexibility to devote our resources where they can have the most impact. We believe that local innovation and investment are the best way to do so. I ask that the state continue to give local municipalities the freedom and flexibility in growing our state by removing new policy items and local mandates such as the "open book" requirement from the 2013-15 State Budget.

Sincerely,

Donald Merkes, Mayor

Representative Nygren

ADMINISTRATION -- GENERAL AGENCY PROVISIONS

OpenBook Requirement for Municipalities

Motion:

Move to require that counties, and any cities, villages and towns with a population larger than 5,000, participate in the Department of Administration's internet-based disclosure of expenditures reporting requirement by July 1, 2015. Expand current DOA statutory requirements related to internet-based disclosure of expenditures reporting to also include reporting by counties, and any cities, villages and towns with a population larger than 5,000. Require DOA to operate the expanded expenditure reporting system. Counties, and any cities, villages and towns with existing internet-based disclosure of expenditures reporting systems would be required to coordinate that system with the system operated by DOA by July 1, 2015.

Note:

Under current law, the Department of Administration (DOA) is required to ensure that all state agency expenditures for state operations exceeding \$100, including salaries and fringe benefits paid to state agency employees, are available for inspection on a searchable Internet Web site maintained by DOA (OpenBook). The Department is required to categorize the expenditure information by state agency, expenditure category, expenditure amount, and the person to whom the expenditure is made. If any of the expenditure information may be found on other Web sites, DOA is required to provide access to that information through the searchable internet Web site.

The motion would extend the internet based disclosure of expenditures reporting requirement to counties, and any cities, villages and towns with a population larger than 5,000, beginning July 1, 2015. The Department of Administration would be required to administer the expanded system.

Don Merkes

From: Rep.BernardSchaber [rep.bernardschaber@legis.wisconsin.gov]
Sent: Tuesday, May 28, 2013 3:11 PM
To: Don Merkes
Subject: RE: Budget Amendment requiring participation in Open Book
Attachments: Motion 236.pdf

Hi Mayor Merkes,

Here is what I've found out so far, though I am waiting for a call back from the Department of Administration (DOA).

I am attaching a copy of the motion, in case you haven't seen it yet. In talking with the Legislative Fiscal Bureau, it is my understanding that it will essentially mirror Ch. 16.413 in the State Statutes:

16.413 Disclosure of expenditures relating to state agency operations and state agency contracts and grants.

(1) (intro.) DEFINITIONS. In this section:

(a) "Financial instrument" includes any check, draft, warrant, money order, note, certificate of deposit, letter of credit, bill of exchange, credit or credit card, transaction authorization mechanism, marketable security, and any computer representation of them.

(b) "Grant" means a payment made to a person, other than aids to individuals and organizations and local assistance and the payment of salaries and fringe benefits for state employees.

(c) (intro.) "Searchable Internet Web site" means a Web site that allows any person to search for both of the following:

1. State aggregate expenditures for state operations by state agency, expenditure category, expenditure amount, and the person to whom the expenditure is made.

2. Grants made by state agencies and contracts entered into by state agencies.

(d) "State agency" has the meaning given in s. 20.001 (1).

(e) "State operations" means all purposes except aids to individuals and organizations and local assistance.

(2) STATE AGENCY EXPENDITURES FOR STATE OPERATIONS.

(a) The department shall ensure that all state agency expenditures for state operations exceeding \$100, including salaries and fringe benefits paid to state agency employees, are available for inspection on a searchable Internet Web site maintained by the department. Copies of each financial instrument relating to these expenditures, other than payments relating to state employee salaries, shall be available for inspection on the searchable Internet Web site.

(b) The department shall categorize the expenditure information under par. (a) by state agency, expenditure category, expenditure amount, and the person to whom the expenditure is made. If any of the expenditure information may be found on other Web sites, the department shall ensure that the information is accessible through the searchable Internet Web site under par. (a).

(c) State agencies shall provide the department with all expenditure information required under par. (a). The department may specify the format in which state agencies provide the expenditure information.

(3) STATE AGENCY CONTRACTS AND GRANTS.

(a) (intro.) The department shall ensure that all of the following information relating to each grant made by a state agency or contract entered into by a state agency is available for inspection on a searchable Internet Web site maintained by the department:

1. A copy of the contract and grant award.

2. The state agency making the grant or entering into the contract.

3. The name and address of the person receiving the grant or entering into the contract.

4. The purpose of the grant or contract.

5. The amount of the grant or the amount the state agency must expend under the contract and the name of the state fund from which the grant is paid or moneys are expended under the contract.

(b) State agencies shall provide the department with all of the information required under par. (a). The department may specify the format in which state agencies provide the information. The department shall make the information available on the searchable Internet Web site.

History: 2011 a. 32.

Here is a link to the Wisconsin Eye coverage of this motion:

<http://www.wiseye.org/Programming/VideoArchive/EventDetail.aspx?evhdid=7534> This motion is discussed right around the 2 hour mark. After listening to the discussion it seems like this is an unfunded mandate and a policy change. There is no estimate as to the cost to local governments including staff time, new reporting software, etc...

In speaking with Assembly Democratic staff on the Joint Finance Committee, it sounds like this motion was introduced and voted on quite quickly, with members only seeing it about 10 minutes before the vote.

It is very unclear as to what the fiscal impacts will be or how it will be implemented, other than DOA will do something and the municipalities will report spending. I do have a call in to DOA to see what their OpenBook program looks like and if it is an actual software that municipalities can use or what exactly.

I'm certain that you have more questions and the more that I am looking into it, the more questions I have. If you do have any other questions, be sure to let me know and I'll do my best to find an answer.

Sincerely,

Eric Koch

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57th Assembly District

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