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**Sent:** Thursday, November 15, 2007 7:25 AM

**To:** browning@pennpirg.org

**Subject:** PRESS RELEASE: Pennsylvania Behind Many States In Disclosing Where Tax Dollars Go

**For Immediate release**

November 15, 2007

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## **Pennsylvania Behind Many States in Disclosing Where Tax Dollars Go Contracts and Subsidies More Transparent Elsewhere**

This year many U.S. states have launched what they call “Google Government” by using the Internet to make accessible detailed information about where tax dollars go and who gets government contracts and subsidies. A new report highlights how far Pennsylvania lags behind the forefront of this national trend.

In a growing number of other states, searchable public databases provide easy access to information about government expenditures by agency, category, or contractor. With a few clicks, taxpayers and journalists in some states can discover details about government contracts, including how much contractors lobbied or gave in campaign contributions. “Transparency is necessary to keep a watchful eye on the public purse,” noted James Browning, Director of the Pennsylvania Public Interest Research Group (PennPIRG) which supports public transparency. “You can’t hold elected officials accountable without this kind of information,” she added.

The report, released today by the Washington D.C.-based think tank, Good Jobs First, found that Pennsylvania is behind the times. The Keystone state received an overall score of “C” on a scale from A to F. The full report can be found at <http://www.goodjobsfirst.org/statedisclosure.cfm>

Pennsylvania has limited information available about its contracting. The Department of General Services provides an online list of current contracts; but unlike many other states, contracts are not searchable by vendor name. Dollar amounts can only be found buried deep within contract language. And past contracts are not available to view.

When it comes to disclosing financial subsidies and company-specific tax breaks, Pennsylvania also has a number of shortfalls. The department of community and economic development does maintain a website disclosing these expenditures. But not all subsidies or special tax breaks are listed. Although it is possible to find the number of jobs that subsidy recipients reported creating, it is not possible to see how many jobs they had promised to create. And unlike some other states, information is lacking on the level of subsequent investment and whether jobs include health benefits. Likewise, no mechanisms exist to recoup subsidies if recipients do not provide the investment or hiring they promise.

This year, Rep. Timothy J. Solobay (D) and 30 co-sponsors introduced The Economic Development and Fiscal Accountability Act (HB 175), which would have substantially enhanced disclosure of subsidies and tax breaks. The bill, similar to one enacted this year in neighboring New Jersey died because it was never voted out of the Committee on Commerce.

"We found that many states have a long way to go, especially with regard to economic development subsidies, in fully disclosing their interactions with the private sector," said Philip Mattera, research director of Good Jobs First and principal author of the report. Payments to private contractors accounts for over 40 percent of state and local government spending across the nation, according to U.S. Department of Commerce reports. Company-specific subsidies and tax incentives have also grown in recent years.

States that enacted enhanced online transparency about state contracts or subsidies this year include Hawaii, Illinois, Kansas, Minnesota, Missouri, Nebraska, New Jersey, Oklahoma, South Carolina, and Texas.

"With all the bitter debate about how to solve Pennsylvania's budget problems," added Mr. Browning, "the state should at least provide full information about where the money goes."

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