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Tracking how gas tax is spent

RICHARD ECKSTROM Aug 22, 2017



Richard Eckstrom

The years-long debate over South Carolina road funding stirred strong feelings all around. While tax hike advocates made a passionate case about the need for infrastructure repairs, their plan – which raises the fuel tax by 12 cents over six years, in addition to other tax and fee increases – will put a noticeable pinch on our wallets. It's hard to fault those who opposed it, given the ever-increasing demands being placed on them by their various layers of government.

Nonetheless, it passed, and the new revenue began trickling in in July. With that debate behind us, one thing we should all now agree on is that taxpayers must be able to see how this money is spent.

For the past couple of months, my staff and I have been working to develop a way to track this new spending and publish the details on the internet. We already publish existing transportation expenditures on the S.C. Fiscal Transparency Website -- visit www.cg.sc.gov and click the green "Fiscal Transparency" button at the top right corner of the home page -- as part of our ongoing efforts to make information about state agencies' spending accessible to the public. But because of the high level of interest in the new gas tax law, I felt it would be important to also produce a separate report showing how these additional funds are used.

It's not a simple undertaking. The new law included no money for tracking or transparency efforts, so I've taken on this project within our existing office budget. And its mishmash nature -- the new funding formula calls for multiple tax and fee increases as well as for creating two new trust funds restricted for specific purposes -- brings added complications. (The process for tracking all of this involves establishing new "sub funds" and a classification code for the various revenue types, and coordinating with the state Treasury and the departments of revenue and transportation to make sure transactions are properly coded.)

The Gas Tax Transparency initiative will show monthly, itemized, checkbook-level expenditures. My tentative goal is to have this information posted on the web, even if in a rudimentary form, within a few weeks. I also plan to send periodic reports to the media detailing and summarizing the new spending.

The idea is to add a layer of oversight for the \$600 million annually which is expected to flow in for road resurfacing, bridge replacement, interstate widening and rural infrastructure projects. And it's a matter of courtesy to the taxpayers who will bear the costs.

It was about 10 years ago that I began drawing up plans for the state's Fiscal Transparency Website to let taxpayers see how their hard-earned dollars are spent. Updated monthly, it shows the payee, dates and amounts of all disbursements made by state government -- the same information you maintain in your personal check register.

At the time, this "online check register" was considered a novel concept for government. Today, most states have such sites. To my knowledge we've been the only one to accomplish such an initiative with no additional funding and with no legislation requiring it.

In the years since its launch, as the open government movement flourished nationwide, our fiscal transparency program expanded to include local governments. Dozens of towns, cities and counties now show their expenditures online. And based on the success of that initiative, all S.C. school districts and public colleges and universities are required by law to do the same.

The transparency program has seen several rounds of enhancements and supplemental information, such as reports showing state government charge card payments as well as payments from the State Insurance Reserve Fund. Our new reports on gas tax spending will be the latest step in a continual push to make as much useful information as possible easily available to the public.

Transparency improves the quality of government by promoting efficiency, accountability, and public trust.

One frequent complaint about the tax-hike legislation was that it was light on oversight reforms for the Department of Transportation. Hopefully, this extra sunlight will help ensure these new tax dollars get put to their best use.

Republican Richard Eckstrom, a CPA, is the state's comptroller general.