



Ensuring Debt Transparency, Accountability, & Fair Elections

A popular Government, without popular information, or the means of acquiring it, is but a prologue to a farce or a tragedy; or, perhaps both. Knowledge will forever govern ignorance; and a people who mean to be their own governors must arm themselves with the power which knowledge gives. ~ James Madison, 4th President of the United States

Government transparency is a cornerstone of good governance. It's the duty of government to disclose public information in a timely and accurate manner so that citizens can knowledgeably engage themselves in the democratic process and make informed decisions. Transparency also acts to further government accountability, improve the delivery of public goods and services, and deter waste, fraud, and abuse.

Ensuring fair and unbiased elections is at the very heart of our democracy. It safeguards the notion that citizen input and participation in government are represented to the greatest extent possible.

So as to promote and advance the concepts of debt transparency, accountability, and fair elections, we, the above organizations, call on elected officials across Texas to voluntarily adopt these guiding principles. By adhering to these principles, we can expect a new, more informed era of good governance that makes it easier for citizens to understand the fiscal state of their government. It will also help to ensure the use of more prudent financing standards, a fair elections process and structural accountability that encourages public servants to deliver on the promises made to Texas families. ★

Guiding Principles for Local Debt Transparency, Accountability, & Fair Elections

- **Arm Voters with Basic Information at the Ballot Box.** Local officials should be open and transparent when asking voters to approve the issuance of new debt. To that end, Texas voters should be provided with basic financial information at the voting booth which should, at a minimum, include: the projected total principal and interest payment due if the project is approved; the expected tax impact on the average area household; and the amount of total debt held by the asking entity.
- **Avoid Using Long-Term Debt to Finance Short-Term Expenses.** Local officials should ensure that any proposed bond avoids using long-term debt instruments to finance short-term consumable goods and services.
- **End the Practice of Using Exotic Public Financing Tools to Get Around Existing Debt Limits.** Local officials should reject the use of exotic public financing devices, such as capital appreciation bonds (CABs), that delay debt repayments by decades so as to bypass existing debt limits. These devices often result in "crippling repayment obligations" for future taxpayers, many of whom are not yet born.
- **Accurate Auditing and Online Assurance.** Local officials should hire an auditing firm that will post quarterly reports on the asking entity's website that clearly identifies the proposition approved by voters and provides detail on how bond proceeds are being spent compared to the initial description.
- **Separate Propositions.** Local officials should offer voters separate ballot propositions for large-scale projects.
- **Encourage Fair Elections.** Local officials should require that a minimum number of registered voters support the measure and end the practice of "rolling polling," whereby polling locations move during early voting to target certain populations and discourage general turnout. Early voting locations should remain constant throughout an election cycle.