

Washington, DC, April 2, 2009

Testimony

Regarding HB 1288, the "Colorado Taxpayer Transparency Act"

*submitted to the House Appropriations Committee
by Sandra Fabry, executive director, Center for Fiscal Accountability*

Dear Chairman Power, dear Committee Members:

While I can't be with you in person, I appreciate the opportunity to submit written testimony in support of HB 1288, the "Colorado Taxpayer Transparency Act" sponsored by Rep. B.J. Nikkel. The bill mandates the creation of a searchable database website detailing comprehensive information on government revenues and expenditures, which shall be updated every five business days, by January 1, 2010. While we appreciate that Gov. Bill Ritter announced his intention to create a similar website in his State of the State address earlier this year, taxpayers – and especially future generations of taxpayers – will be best served when there is a statutory requirement giving teeth to the effort.

Since the passage of the Federal Funding Accountability and Transparency Act of 2006 which resulted in the creation of www.USASpending.gov, the Center for Fiscal Accountability has been working with policymakers and activists around the country to pass legislation and get executive orders signed that emulate and ideally go beyond the federal legislation.

Since the beginning of 2007, thirteen states have enacted laws mandating the creation of searchable online database websites for government expenditures, and several governors have taken executive steps to the same effect. Thirteen of these websites mandated by legislative or executive action have already gone live, and provide taxpayers with an opportunity to track their tax dollars at a mouse-click. In addition, several state constitutional officers have also taken steps to increase accountability through transparency.

This spending transparency effort is consistent with the Founding Fathers' notion of accountable government: It was Thomas Jefferson, who once said: "*We might hope to see the finances of the Union as clear and intelligible as a merchant's books, so that every member of Congress and every man of any mind in the Union should be able to comprehend them, to investigate abuses, and consequently to control them.*"

We understand that the State of Colorado already has an "internal" database providing revenue and expenditure information. Making it accessible to Colorado taxpayers would provide them with a tool to access, search and easily find relevant spending information, and foster a better understanding of the ways in which government operates. Ultimately, it would help reduce fraud, waste and abuse. Opacity in the way government spends tax dollars often leaves taxpayers frustrated, and can create the perception of possible abuse of the system.

More public scrutiny will help eliminate impropriety in dealing with taxpayer dollars – be it perceived or real impropriety – but it can also help realize efficiencies and savings.

Using information from her spending transparency portal, Texas State Comptroller Susan Combs has identified \$8.7 million in savings already, \$4.8 million of which have already been realized. Examples of savings range from the consolidation of various toner contracts into one to removing duplicative print costs. Comptroller Combs herself consistently points out the benefits of transparency not only for taxpayers, but also for the agencies:

“But besides the public having access to information, we discovered our emphasis on transparency had internal benefits in that it made our own operations transparent to us. This provided access to such detailed, centralized and easily navigable information about our budget and expenditures, which allowed us to identify redundancies, inefficiencies and other areas for improvement with a clarity that was simply not possible before.”

South Carolina State Comptroller General Richard Eckstrom expressed similar appreciation for the efficiency his transparency portal has produced, citing a massive decrease in Freedom of Information Act requests to his office. This is just one of the ways in which the website has helped the agency save time and money.

Because it goes back to one of the most fundamental principles – accountability – this movement has broad bipartisan support. This is not a right-left issue, it is a right-wrong issue. There may not be agreement on how the money should be spent, but there is agreement that taxpayers should be able to scrutinize government expenditures. In today’s digital age, there is no justification for keeping taxpayers in the dark as to how their tax dollars are being spent.

The founding fathers had the vision, and today, we have the tools at our disposal to make that vision a reality – at little cost to taxpayers:

- *The Missouri Accountability Portal, an expenditure website created via executive order by then- Gov. Matt Blunt, was created without the appropriation of a single additional tax dollar. The same applies for the “Window on State Government” in Texas, created by the State Comptroller Susan Combs.*
- *The Oklahoma website, which can be accessed at www.openbooks.ok.gov, initially carried a price tag of \$300,000. In the end the implementing agency reported that the website cost only \$8,000, plus expended staff time.*
- *Even the federal grant and contract website which was unveiled in December and is accessible at www.USASpending.gov was put together at a price tag of less than \$1 million - and that covers grants and contracts of the entire federal government. The software that was used to create the federal site is available at no cost to any interested party through the organization OMB Watch.*

With this bill, Colorado has the opportunity to empower taxpayers to become true fiscal watchdogs, and to ensure that this opportunity will be available to taxpayers regardless of the political environment. Consequently, the Center for Fiscal Accountability urges you to support HB 1288. I am looking forward to working with you to advance accountability and transparency for the sake of Colorado taxpayers.

Sincerely,



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