



April 13, 2007

Taxpayers Support Creating Grant and Contract Database in Hawaii

Dear Legislator:

On behalf of our thousands of members in Hawaii, we ask you to support SB 1689 and HB 122, which were introduced by Senator Les Ihara, Jr. and Representative Marcus Oshiro, respectively. If signed into law, this legislation would create a public website (available by January 1, 2009) that would list every entity receiving state financial awards (e.g., grants, loans, awards, and contracts) over \$25,000. Providing such a database would better enable state residents to make sense of how their tax dollars are being parceled out. Both SB 1689 and HB 122 have passed their respective chambers.

As you may know, last year President Bush signed S. 2590, the Federal Funding Accountability and Transparency Act, into law. Originally sponsored by Senators Tom Coburn (R-OK) and Barack Obama (D-IL), the bipartisan legislation directs the U.S. Office of Management and Budget to create a searchable online database (located at www.federspending.gov) that the general public can use to track the flow of hundreds of billions of dollars in federal grant and contract expenditures.

Hawaii residents deserve the same kind of tool from Honolulu. Creating a similar website on the state scale would entail little cost, but it would greatly increase transparency in the distribution of precious tax dollars and help hold elected officials accountable for their spending programs. While more than a dozen other states have limited versions of disclosure websites for grants and/or contracts, no state to date has created a single comprehensive database. By acting now, Hawaii has the opportunity to lead the nation in making government spending data more easily accessible to the public.

Currently, HB 122 and SB 1689 call for exempting all expenditures under \$25,000 from the database, which is also the federal exemption limit. We would strongly recommend that the bills be amended to lower the financial threshold for inclusion in the database. Given that the State of Hawaii spends vastly less than the federal government, providing for public inspection of *all* defined expenditures (or at least those above \$5,000) would be a positive adjustment.

As we found at the federal level, support for this legislation will likely transcend party lines. Advocates from across the opinion spectrum share the common notion that transparency of and public access to government information is vital to the health of our political system. We sincerely hope you decide to support this legislation and help pass it into law. If we can be of any assistance in this effort, please do not hesitate to call upon us.

Sincerely,

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