



June 27, 2007

**An Open Letter to West Virginia Governor Joe Manchin:
Taxpayers Count on Speedy Compliance with Grant Transparency Rules and
Easy Access to Spending Information**

Dear Governor Manchin:

On behalf of the more than 1,900 West Virginia members of the National Taxpayers Union (NTU), I write in regard to a recent Legislative Auditor's special report that highlighted how most state agencies are not complying with grant reporting requirements set forth by a 2005 law you supported.

This transparency law stipulated that recipients of grants after October 1, 2005 must report on the amount of funds received and their purpose within 30 days of the grant's authorization or disbursement. Almost two years have gone by since this law was passed, and yet only 12 state agencies have reported any grant information. Many taxpayers are concerned about the slow rate of compliance, and we are counting on your help to ensure delinquent agencies provide this critical data as soon as possible.

The same report mentions that the Legislative Auditor will make a list of grant recipient eligibility (based on reporting compliance) available on the Legislature's website. I would also strongly urge you make the "who, what, where, when, why" reports filed by grant recipients publicly available on the Internet. For a good existing model of how this can be done, look to North Carolina's Office of the State Auditor, which provides residents with in-depth grant information on a website (www.ncauditor.net/WebProject/). Thanks to an increase in North Carolina's reporting requirements that also became effective in 2005, all nongovernmental entities receiving state or federal "pass-through" grants must complete reports on how the funds were used. Upon receipt of this information, the State Auditor then issues a yearly report with grant summaries by fund source, agency, county, and service type (in order to spur compliance, the Auditor's office publishes a monthly noncompliance list). The information freely provided by this website allows taxpayers to log on, browse, and make their own evaluations of the state's budget priorities. West Virginians would benefit from the same type of arrangement.

As you may know, in 2006 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.federalspending.gov) that the general public can use to track the flow of hundreds of billions of dollars in federal grant and contract expenditures.

Building on this success, a spending transparency movement is sweeping across the nation. NTU is one of the founding members of the "Show Me the Spending" coalition that was formed earlier this year to advocate for online spending databases in every state. Within the last

few months, three states have passed laws to create searchable spending databases for the Internet. Minnesotans, for example, will soon have online access to information on state grants and contracts, while Kansans will be able to obtain information on all state expenditures.

Our members hope you will join this trend toward transparency by putting the grant audits up on a public website and consider making more types of state spending (such as contracts and regular appropriations) available to taxpayers on the Internet. You can find more information (including model legislation) about this concept at www.ShowMeTheSpending.org. Please do not hesitate to contact me with any questions or comments – we look forward to working with you to make state spending information available to everyone.

Sincerely,

A handwritten signature in black ink that reads "Kristina Rasmussen". The signature is written in a cursive style with a light blue background behind the text.

Kristina Rasmussen
Director of Government Affairs