



January 28, 2009

Testimony of Joshua Culling, State Government Affairs Manager, National Taxpayers Union, to the Virginia Senate General Laws and Technology Committee on SB 936

I. Introduction

Chairperson Locke and Members of the Committee, my name is Joshua Culling and I am State Government Affairs Manager at the National Taxpayers Union (NTU). We are a grassroots advocacy organization of 362,000 members nationwide, including more than 8,000 members in Virginia.

I am here today to offer NTU's support of Sen. Cuccinelli's legislation, SB 936. This bill would put state government expenditures onto a searchable online database easily accessible to the public. Similar legislation has been enacted in more than a dozen states across the country. A federal database was also created as part of the Federal Funding Accountability and Transparency Act of 2006 (S. 2590), co-sponsored by Sen. Tom Coburn and then-Sen. Barack Obama. Recently, citizen groups and think tanks have been engaging local governments, such as school districts, with the idea of disclosure. In short, public officials at all levels of government have realized the importance of giving taxpayers access to information about how their money is spent.

NTU believes that this bipartisan legislation gives Virginians the access to budgetary information that they deserve. Especially in light of the current economic climate, it is imperative that government is transparent as possible, giving both citizens and public officials a comprehensive view of where public dollars are being spent.

II. Background

While information on government expenditures obviously exists, it is far from accessible to the common citizen. It is often spread across numerous bureaucratic agencies and it lacks the degree of detail to make the data meaningful. There has been some success in Virginia at opening the books, but efforts have not gone far enough.

In 2005, Sen. Stosch was instrumental in passing legislation creating the Commonwealth Data Point, an important step toward more transparency in government. Unfortunately, the data on that site is not sufficiently specific, nor is it always up-to-date and accurate. It is time for Virginia to build on the important progress of Commonwealth Data Point and enact a truly comprehensive and user-friendly site for all Virginians.

III. Cost

Spending transparency's bi-partisan appeal is self-evident. Politicians across the country have crossed the aisle to pass legislation similar to SB 936. Indeed, near-unanimous margins from both parties have backed such proposals. Democrats, Republicans and independents agree that taxpayers have the right to hold their governments accountable for budgetary decisions.

That said, there is a segment of the policymaking community that repeatedly cites cost concerns associated with the implantation of a database. While some of these assertions may stem from a lack of information about experiences elsewhere, it is also apparent that the few who are actually afraid of greater scrutiny over their decisions have an incentive to drive the cost estimate upward, so as to scare legislators into voting against it. Absent any other justification, this is apparently the case in Virginia, where the Department of Planning and Budget recently attached a \$3 million fiscal impact statement to SB 936.

I do not use the phrase "absent any other justification" lightly. Simply put, we are convinced that this estimate is highly exaggerated and easily debunked by evidence from every state that has enacted a spending transparency database. In Oklahoma, it was implemented with no new money. In Nebraska, Treasurer Osborn oversaw the construction of NebraskaSpending.com for \$38,000. Texas Comptroller Susan Combs invested \$300,000 in her database, and as a direct result was able to identify over \$8 million in cost savings. The federal government's USASpending.gov cost only \$1 million, with \$600,000 of that money going toward purchasing software now available for free to state governments.

Officials from a number of these states have scoffed at Virginia's overblown \$3 million figure. With all due respect, if this legislation dies in this Committee another year, your constituents will surely scoff at the unfounded fears of the General Assembly..

IV. Conclusion

Reducing the Commonwealth's \$3.2 billion deficit goes hand-in-hand with increasing the transparency of the spending process. Our members implore you to use the database to allocate resources more efficiently, eliminate waste, and identify areas of overlap that can be merged. Do not use the deficit as an excuse to do otherwise.

I am most grateful to the Chair and Members of Committee for the opportunity to testify and for your thoughtful consideration of SB 936.