

The Free State Foundation

A Free Market Think Tank For Maryland...Because Ideas Matter

Testimony of

Randolph J. May
President
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before the
Health and Government Operations Committee
Maryland House of Delegates

On
HB 358
Maryland Funding Accountability and Transparency Act of 2008

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Mr. Chairman and distinguished Members of the Committee:

Good afternoon. My name is Randolph May, and I am President of The Free State Foundation, an independent, non-profit research and educational institution located in Potomac, Maryland. The Free State Foundation is a think tank that promotes free market, limited government, and rule of law principles in Maryland and throughout the United States. I appreciate the opportunity to present this testimony on HB 358 for the record.

Last year, when the Maryland Funding Accountability and Transparency Act of 2007 was introduced by Delegate Miller (and Senator Mooney in the Senate), I applauded this measure to introduce greater transparency and accountability to Maryland government. This year, the bill, which now has broad bipartisan support, should become law.

HB 358 embodies a simple, yet most fundamental proposition: Maryland's citizens should have ready and easy access to information concerning state spending. The bill requires the State to establish a "single, searchable website, accessible by the public at no cost" that provides information concerning all state financial assistance and expenditures over \$25,000. This is a common sense measure to provide Maryland's citizens with access concerning how their tax dollars are being spent, and the digital revolution makes it possible to make this information readily available online at relatively low cost.

On December 13, 2007, the U.S. Office of Management and Budget launched ahead of schedule the web site www.USAspending.gov that will feature the most comprehensive searchable database of federal spending ever made available to the American public. The new web site is the product of legislation, the Federal Funding Accountability and Transparency Act (S. 2590), sponsored by Senators Tom Coburn (R-OK) and Barack Obama (D-IL), that was signed into law last year. The bill was passed with large bipartisan majorities in the U.S. Senate and House of Representatives. H.B. 358 is modeled after the federal act, and it should be adopted by the Maryland General Assembly with similar bipartisan majorities.

Reproduced immediately below is a commentary I published in the Baltimore Sun last year urging passage of Del. Miller's similar bill. Because enactment would be an important step in bringing increased transparency—and hence, accountability—to Maryland state government, I am pleased to again urge passage this year.

From the Baltimore Sun

Bring Transparency and Accountability to Maryland Government

By Randolph J. May

March 20, 2007

Last week was "Sunshine Week" across the nation. Spearheaded by journalists, Sunshine Week seeks to heighten the public's sensitivity to the importance of open government. In a democracy, every week ought to be the right time for

government to give citizens tools that make it easier for them to determine how their lawmakers and executive officials are spending their money.

In Maryland, where the state faces a \$400 million budget deficit this year and a forecast structural deficit of approximately \$6 billion over the next five years, the imperative to ease citizens' ability to track the spending of taxpayer dollars is especially compelling.

Enter two Maryland legislators. Del. Warren E. Miller and Sen. Alex X. Mooney, along with a number of their fellow Republicans, have introduced identical bills in the General Assembly to require Maryland to establish a "single, searchable Web site, accessible to the public at no cost," allowing citizens to easily track state spending.

The proposed Maryland Funding Accountability and Transparency Act would require that the new searchable Web site, to be operable by January 2008, allow the public to ascertain the amount of state funding over \$25,000 provided to any entity through a grant, loan, award or other form of financial assistance. For each funding award, the following information must be included: the name of the award recipient; the amount of the award; the transaction type; the agency making the award; the budget program fund source; and a descriptive purpose for the award.

Requiring this spending information to be made easily accessible may sound like a no-brainer in the Internet age. But if you think that such a single site is not needed in Maryland, good luck in trying to ferret out the particulars of spending information now. It is hit or miss - and, truth be told, more often miss.

The proposed Maryland bill is sensible, but it is not original. Last fall, Congress enacted the Federal Funding Accountability and Transparency Act, requiring a similar searchable Web site at the federal level. Co-sponsored in the Senate by conservative Republican Tom Coburn of Oklahoma and liberal Democrat Barack Obama of Illinois, the bill passed with broad bipartisan support.

This year, bills modeled after the federal Coburn-Obama law are being considered in 11 other states. According to the Tax Foundation, Maryland's tax burden has ranked among the top 20 states for each the past seven years.

Marylanders reasonably can debate whether we are taxed too much or too little. What ought not to be debatable is that those who govern us should not make it difficult for us to determine how our tax dollars are spent.

Many politicians are reticent to shine any light on their spending decisions. Their understandable inclination is to want to avoid scrutiny of "bridges to nowhere" in all the various forms in which such unwise and wasteful spending projects sprout.

As James Madison put it more than two centuries ago: "In framing a government which is to be administered by men over men, the great difficulty lies in this: You

must first enable the government to control the governed, and next oblige it to control itself."

Our legislators and executive officials cannot be held accountable if their decisions are not transparent. The digital revolution makes it easy, and not very costly, to establish a Web site for readily tracking state spending.

There are substantive differences between the political parties on taxes and spending, and other issues as well, that ought to be vigorously contested. Partisanship in these battles should not necessarily be a dirty word. But accountability and transparency ought to be nonpartisan values. Democrats in the General Assembly should join with Republicans to pass the Web site spending bill, and Gov. Martin O'Malley ought to sign it.

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