



AMERICANS FOR TAX REFORM

GROVER G. NORQUIST

PRESIDENT

Statement by Sandra Fabry
State Government Affairs Manager, Americans for Tax Reform
To the Maryland Health and Government Operations Committee

Chairman Hammen and members of the committee,

Thank you for your time. I am Sandra Fabry, state government affairs manager of Americans for Tax Reform, a national taxpayer advocacy organization based in Washington, DC.

We support of HB 1252, the Maryland Funding Accountability and Transparency Act of 2007. People sometimes forget that every dollar that gets appropriated in Annapolis comes from the citizens. Taxpayers – the very same people whose money we’re talking about when we talk about government finances – deserve to know how their hard earned tax dollars are being spent, and on what.

As a government affairs manager, I work with state legislators and activists around the country, and we are witnessing a new trend: Ever since the passage of the federal Funding Accountability and Transparency Act last year, efforts to bring transparency into government spending are underway all across the country, leaving partisan divides behind. And it makes sense.

Governor Rick Perry of Texas, is already spearheading efforts to bring transparency into government spending in his home state. He has said, “if the taxpayers are picking up the bill, they ought to be able to look at every item on the receipt.”

After all, transparency is one of the cornerstones of representative democracy. And when asked, taxpayers agree: A poll commissioned by the Oklahoma Council on Public Affairs has found that 72 percent of Oklahomans favor the creation of a website that would allow taxpayers to track government spending.

Transparency begets accountability. As stewards of taxpayers’ hard earned dollars, state legislators are accountable to taxpayers. However, while some information on government expenditures is already open to public access in a number of states, finding and understanding the information is often problematic. Lacking information on how government spends taxpayer dollars makes it difficult for citizens to make informed decisions and to partake in political discourse.

I understand that the Maryland Department of Budget and Management already maintains an online database of the state budget, but the Funding Accountability and Transparency Act of 2007 will go far beyond that.

It will provide Maryland taxpayers with a tool to access, search and easily find relevant spending information, and ultimately foster a better understanding of the ways in which government

AMERICANS FOR TAX REFORM

operates. Ultimately, it will help reduce fraud waste and abuse. Opacity in the budget process 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. The database to be created under the Funding Accountability and Transparency Act of 2007 would allow taxpayers to hold policy makers and government agencies accountable for questionable spending decisions.

The bill provides an opportunity for taxpayers to submit feedback on the functionality of the database. But this feedback can go beyond just technical functionality. It can be used to constantly improve government finances, and to point out possible savings and a more effective or efficient use of taxpayer dollars.

The bill as written sets a disclosure threshold for expenditures above \$25,000. From a taxpayer's perspective, we would argue that the lower the threshold, the better. But this issue could be addressed at a later point in time. Ultimately, disclosure requirements should be as broad as possible: Taxpayer benefit would be the greatest if all subdivisions of government, including school districts, counties, cities and special districts would be required to make their spending information available. Government labor contracts should also be made publicly accessible.

As taxpayer advocates have pointed out elsewhere, public companies in America must regularly publish large quantities of information about how shareholder dollars are spent. However, while owning stock is voluntary, taxation is not. As such, shouldn't the standard taxpayers receive be at least as high, indeed higher?

Thank you for your attention and for your commitment to seeking effective solutions for the State of Maryland.