

# Federal Funding Accountability and Transparency Act of 2006

EXHIBIT 1  
DATE 3-31-09  
SB 241

From Wikipedia, the free encyclopedia

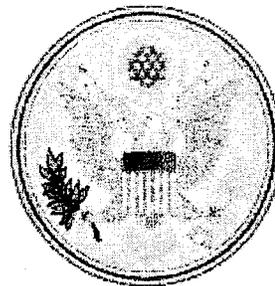
The **Federal Funding Accountability and Transparency Act of 2006** (S. 2590)<sup>[2]</sup> is an Act of Congress that requires the full disclosure to the public of all entities or organizations receiving federal funds beginning in fiscal year (FY) 2007. The website USAspending.gov opened in December 2007 as a result of the act, and is maintained by the Office of Management and Budget. The Congressional Budget Office estimates S. 2590 will cost \$15 million over its authorized time period of 2007–2011.<sup>[3]</sup>

The bill was introduced by Senator Tom Coburn, for himself and Senators Barack Obama, Tom Carper and John McCain on April 6, 2006.<sup>[1]</sup> After two "secret holds" placed by Senators Ted Stevens, a Republican, and Robert Byrd, a Democrat were revealed and removed<sup>[4][5]</sup>, it was passed unanimously in the Senate on September 7, 2006 and by the House on September 13, 2006. The bill was signed into law by President George W. Bush on September 26, 2006.<sup>[6]</sup>

On June 3, 2008, Senator Obama, along with Senators Carper, Coburn and McCain, introduced follow-up legislation: *Strengthening Transparency and Accountability in Federal Spending Act of 2008*.<sup>[7]</sup>

## Contents

- 1 Description
- 2 Sponsors in the Senate
- 3 Legislative history
  - 3.1 Senate
  - 3.2 House
  - 3.3 "Secret hold"
  - 3.4 Presidential action



## Federal Funding Accountability and Transparency Act of 2006

**Full title** A bill to require full disclosure of all entities and organizations receiving Federal funds.

**Acronym / colloquial name** Federal Funding Accountability and Transparency Act of 2006

### Citations

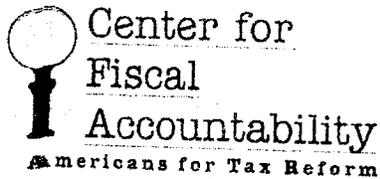
### Codification

### Legislative history

- **Introduced in the United States Senate as S. 2590** by Tom Coburn, Barack Obama, Tom Carper, and John McCain <sup>[1]</sup> on April 6, 2006
- **Committee consideration by:** Committee on Homeland Security and Governmental Affairs; Subcommittee on Federal Financial Management, Government Information, and International Security
- **Passed the Senate** on September 7, 2006 (Unanimously approved)
- **Passed the House** on September 13, 2006 (Passed by voice vote)
- **Signed into law by President Bush** on September 26, 2006

### Major amendments

OVER  
→



DISTRIBUTION REQUESTED BY:

Transparency. Accountability. Limited Government.

## TX Comptroller Combs on the Benefits of Transparency Not Only For Taxpayers, But Also for Agencies

Thursday, December 4, 2008 1:05 PM

Texas State Comptroller Susan Combs held a press conference discussing her government transparency initiatives yesterday. Take a look at Open Book Texas, which not only provides access to her spending transparency portal, but also to Texas Transparency Check-Up with lots of useful tips and links on transparency, Texas Smart Buy, a new online ordering system for agencies, and the Single Set of Books Initiative, an effort to get to a uniform financial accounting system.

In her speech, Comptroller Combs made an excellent case (talking from her own experience) for the usefulness of transparency not only from a taxpayers perspective, but also from an agency point of view:

*"But besides the public having access to information, we discovered our emphasis on transparency had internal benefits in that it made our own operations transparent to us. This provided access to such detailed, centralized and easily navigable information about our budget and expenditures, which allowed us to identify redundancies, inefficiencies and other areas for improvement with a clarity that was simply not possible before.*

*As a result, we have already identified **\$8.7 million** of efficiencies and savings since I took office — and that number is still growing. Of these savings, **\$4.8 million** have already been realized, with an additional **\$3.8 million** expected in the coming year. Here are just a couple of examples:*

- ***Toner:** A closer look at our contracts for toner cartridges revealed a simpler and smarter way to consolidate purchases through one contract, rather than through multiple vendors. Getting a discount for volume saved us more than **20 percent**, for a total of **\$73,000** on that one item.*
- ***P.O. Boxes:** The mail sorter machine used by our agency needed to be replaced after many years of use. Rather than spending around **\$328,000** on a new mail sorter, including maintenance, we decided to purchase additional P.O. Boxes for less than **\$10,000** and let the existing automated machines at the Postal Service do the sorting for us.*

*The bottom line is because of transparency, we were better able to see where and how we spend money and where and how to save it."*

That should be a powerful argument to sway those skeptics in administrations that have yet to implement transparency.

Two cheers for Texas transparency!

Tags: Transparency TX | Comments (0)

---

Printed from: <http://www.fiscalaccountability.org/index.php?content=ntr-tx-cpr>

O V E R  
→

58241 - for Budget

**ATTACHMENT 1**

**Legislative Branch response to Senate Finance & Claims questions, SB 241**

3/19/09

**Non-Interactive Web Portal**

**Concept:**

The Legislative Branch could provide a user-friendly budget website with a unique and simplified web address that enables users to easily find budget and other financial reports and information. The non-interactive portal would be a web page or pages containing links to **existing** audits and financial reports in an organized manner. Information could include:

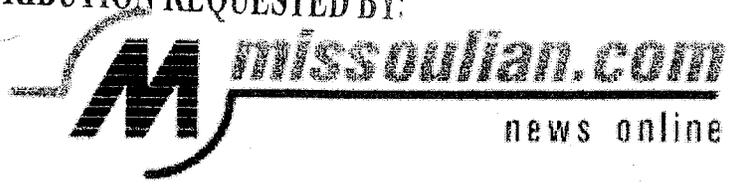
- ✓ Legislative Budget Analysis, 2000 to current. Details of agency budget proposals from the executive that are analyzed and commented by the LFD. Includes statewide information.
- ✓ Legislative Fiscal Reports, 2000 to current. Agency budget details after the legislature has acted. Includes statewide information.
- ✓ Revenue Estimates, 2001 to current. Revenue estimates published and presented to the Revenue and Transportation Interim committee and used during the legislative session to balance the budget.
- ✓ Agency profiles. General information related to each agency's services, funding, expenditures, revenue, historical information along with other financial factors that impact the agency.
- ✓ Fiscal pocket guides. Provide information and background on various major public policy issues in a handy, pocket-sized format
- ✓ General Fund Update Reports. Summary reports describing the performance of the revenue sources at various intervals.
- ✓ General Fund Revenue Trends. Detailed reports describing changes in revenue sources based on economic conditions and current trends.
- ✓ House Bill 2 summary reports and narrative. Agency and statewide information related to changes in the budget as the legislature acts on it.
- ✓ Executive budget comparisons. Summary data illustrating changes to the executive budget as the legislature makes changes.
- ✓ Legislative Finance Committee (LFC) Reports from LFD staff, 1999 to current. Reports related to fiscal issues that are reported to the LFC concerning oversight and monitoring of critical items.
- ✓ Legislative Audit Reports. Audit reports including contract, financial-compliance, IT systems, performance, and special audits.
- Executive branch financial report links. Provide access to reports provided by the Office of Budget and Program Planning (OBPP) in the Governor's office including:
  - 2011 Biennium Executive Budget
  - 2011 Biennium Executive Budget Summary "Yellow Book" (PDF)
  - Workers' Compensation Regulation Bureau "Blue Book"
  - Invitations for Bids and Requests for Proposals
  - OPI School Finance
  - Online Services

*Ruled* → OVER →

SB 241

DISTRIBUTION REQUESTED BY:

*Joe Balyeat*



## Government as open book Web site proposal gains ground

By CHARLES S. JOHNSON of the Missoulian State Bureau

HELENA - By a large margin, the Senate gave preliminary approval to a bill to create a searchable state Web site so people can find out detailed information about Montana's budget, including revenues, appropriations and expenditures.

Senate Bill 241, sponsored by Sen. Joe Balyeat, R-Bozeman, won debate-stage approval 39-10.

Because of questions about its potential cost, the bill was sent to the Senate Finance and Claims Committee for more scrutiny before a final Senate vote.

"This is the much-ballyhooed transparency bill," Balyeat said, adding that 85 of the 150 legislators are co-sponsors.

The bill is entitled the "taxpayer right to know act."

Balyeat urged the Senate to join two dozen other states that have already established similar Web sites or are in the process of doing so.

What's more, he said, then-U.S. Sen. Barack Obama and Sen. John McCain passed a similar bipartisan bill in Congress in 2006 and the two presidential rivals led the effort to further strengthen it last year.

"It's not about Republicans versus Democrats," Balyeat said. "It's about taxpaying citizens having a right to see how their tax money is being spent."

The bill would cover budgets for all three branches of government: the executive, judicial and legislative branches. It would allow the public to search, retrieve and download specific details about state spending, taxes and other budget items.

An advisory committee would oversee creation of the Web site, with the job of establishing and maintaining the site assigned to the legislative fiscal analyst.

The bill would not allow any information now deemed private, such as the medical record, to be made public. The legislative fiscal analyst, who would be responsible for creating and maintaining the database, would be required to ensure that information protected under Montana's constitutional right to privacy could not be accessed on the Web site.

The bill would set a limit of \$275,000 a year to get the Web site up and running, although the governor's budget office said the costs were unknown.

Balyeat said Texas spent \$310,000 to create a similar Web site, and the state controller estimates it has led to savings of \$8.7 million. In most states that have these Web sites, the most frequent users are government employees who find out how other state departments are doing things more efficiently and adopt these practices, he said.

"I think it's worth the money, and as you know, I'm pretty tight," said Balyeat, a certified public accountant.

Sen. Carol Juneau, D-Browning, acknowledged that government transparency is probably important. However, she opposed spending the money on a new program in SB241, when appropriations subcommittees aren't funding necessary programs.

"Yesterday, they couldn't raise provider rates for foster care," she said. "There are terrible, terrible decisions in health and human service. I think we could hold up on the transparency for several years and help other people at this point."

Sen. Taylor Brown, R-Huntley, opposed delaying creating of the Web site, saying, "I think the sooner the better."

When the facts come out about the financial problems faced by Montana's public pension funds, which saw multimillion-dollar losses in their investments, "we're going to want everyone to know."

OVER →

## **SB241 Taxpayer Right to Know Act – Government Transparency** (Sen. Joe Balyeat)

Please note this bill has roughly 85 co-sponsors, including numerous members of both parties and both houses.

The bill's goal is *"...the establishment of a website from which the general public can search, retrieve, and download information about the state budget, including revenue, appropriations, and expenditures by Executive, Legislative, and Judicial branch agencies..."* Put simply, the bill would implement a "Google for Government" style website where citizens could easily access fiscal information using features like key word searches and other to-be-determined methods. In addition, the bill would create a voluntary advisor council to provide guidance and feedback on the program's design and implementation.

The types of information that would be made accessible: Revenue sources and agency budgets, expenditures, and performance measures would be included.

- a. All revenue information, including amounts, sources, and accounts.
- b. All appropriations by agency and source.
- c. Agency budgets in detail and in full.
- d. Expenditure information: Amount, type, recipient, program, description, performance outcomes, historical information of all expenditures. Notably, types include personal and operating expenditures. This is a comprehensive list that would allow taxpayers to easily see expenditures and place them in contexts of legislative intent and outcomes.

Article II, Section 9, of the Montana Constitution says, *"No person shall be deprived of the right to examine documents or to observe the deliberations of all public bodies...."*

Roughly 2 dozen states have already passed or are in the process of passing similar legislation and are well on their way to having functioning websites similar to that authorized for Montana in this bill. At the federal level, Sens. Obama, Coburn, and McCain successfully passed similar legislation back in '06. In '08, Sens. Obama, McCain, and others introduced legislation to strengthen federal transparency even further at the federal level.

The bill has wide-ranging support from such politically diverse groups as Americans for Tax Reform and the Montana Newspaper Association. In fact, Ralph Nader and Grover Norquist signed a joint proclamation urging states to setup transparency websites similar to the federal site. And, as I mentioned, roughly 85 co-sponsors from both parties and both houses.

This bill is not about Republican versus Democrat. It's about the legislative branch, the people's representatives, juxtaposed to the executive branch – which represents the government agencies. It's about average taxpaying citizens having a constitutional "Right to Know" where their money is going, and how it's being spent.

I avoided having much direct input in the drafting of this, because I wanted a product that didn't reflect my personal bias and could have bipartisan support. At the request of one of the Democratic House leaders, I ran the draft past the NCSL transparency experts and got back what I think is a pretty decent review. Amongst other things, that NCSL review noted that our draft resembled closely the federal Obama/McCain model with added improvements including: 1) A requirement to utilize a standard data format which is compatible with most common database programs. 2) Salary information subject to protections specific to Montana's right of privacy. 3) A volunteer advisory council.

The bill was amended in the Senate to cap spending to \$275,000 per year. The Advisory Council would steer the Legislative Fiscal Division as to where and how to spend that money to get the biggest bang for the buck, given that funding restriction.