

COMMONWEALTH OF PENNSYLVANIA  
HOUSE OF REPRESENTATIVES

REPUBLICAN POLICY COMMITTEE HEARING

STATE CAPITOL  
MINORITY CAUCUS ROOM  
ROOM 418  
HARRISBURG, PENNSYLVANIA

THURSDAY, JUNE 18, 2009  
9:14 A.M.

PRESENTATION ON  
SPENDING TRANSPARENCY: PENNWATCH

BEFORE:

HONORABLE STANLEY E. SAYLOR, CHAIRMAN  
HONORABLE JIM CHRISTIANA  
HONORABLE BRIAN L. ELLIS  
HONORABLE MATT GABLER  
HONORABLE ROBERT W. GODSHALL  
HONORABLE ROB W. KAUFFMAN  
HONORABLE JIM MARSHALL  
HONORABLE CARL WALKER METZGAR  
HONORABLE T. MARK MUSTIO  
HONORABLE MICHAEL PEIFER  
HONORABLE KATHY L. RAPP  
HONORABLE DOUGLAS G. REICHLEY  
HONORABLE MARIO M. SCAVELLO  
HONORABLE RICHARD R. STEVENSON

ALSO PRESENT:

ANDREW J. RITTER, JR.  
EXECUTIVE DIRECTOR

DEBRA B. MILLER  
REPORTER

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**JEAN DAVIS REPORTING**  
**7786 Hanoverdale Drive • Harrisburg, PA 17112**  
**Phone (717) 503-6568 • Fax (717) 566-7760**

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I N D E X

TESTIFIERS

<u>NAME</u>	<u>PAGE</u>
SANDRA FABRY GOVERNMENT AFFAIRS MANAGER, AMERICANS FOR TAX REFORM; EXECUTIVE DIRECTOR, CENTER FOR FISCAL ACCOUNTABILITY.....	5
REPRESENTATIVE KASHA KELLEY KANSAS STATE HOUSE OF REPRESENTATIVES, 79TH DISTRICT.....	20, 36
EDWARD R. MARTIN, JR. BOARD MEMBER, AMERICAN ISSUES PROJECT; FORMER CHIEF OF STAFF, MISSOURI GOVERNOR MATT BLUNT.....	23
ELIZABETH BRYAN RESEARCH ASSOCIATE, COMMONWEALTH FOUNDATION.....	55
NATHAN A. BENEFIELD DIRECTOR OF POLICY RESEARCH, COMMONWEALTH FOUNDATION.....	64
TERRY MUTCHLER EXECUTIVE DIRECTOR, PA OFFICE OF OPEN RECORDS.....	74

## 1 P R O C E E D I N G S

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3 CHAIRMAN SAYLOR: Good morning, everyone.

4 I want to call our Policy Committee meeting  
5 to order.6 We are here today to discuss the legislation  
7 introduced by Representative Jim Christiana, which is  
8 PennWATCH, government transparency, and at this point  
9 I would like to call on Representative Christiana for  
10 his comments.11 REPRESENTATIVE CHRISTIANA: Thank you,  
12 Chairman Saylor.13 And first of all, thanks for having this  
14 forum for us to talk about the legislation, and I  
15 want to thank the Policy staff as well for everything  
16 they have done to get us here.17 It's crazy to me that you can find a  
18 kindergarten friend on Facebook in 5 minutes, you can  
19 book a trip to Alaska on your BlackBerry, but you  
20 can't find what legislative expenses are from the  
21 privacy of your home. You can find anything on the  
22 Internet, but you can't find where your tax dollars  
23 are going.24 So we came out a number of weeks ago with  
25 PennWATCH, House Bill 1460, which creates an

1 easy-to-use online database of State expenditures  
2 and contracts. It puts us in the 21st century with  
3 20 other States and the Federal Government, and I  
4 think it's an absolute must.

5 At a time where public trust is probably at  
6 an all-time low, PennWATCH would help rebuild that  
7 trust and give people hope that Harrisburg is finally  
8 starting to change course and starting to do things  
9 differently.

10 So with that, I would like to get the  
11 testimony started, and just thank you again for the  
12 opportunity.

13 CHAIRMAN SAYLOR: Before we move to the  
14 first testifier, I would like to start to my right  
15 and have Representative Godshall introduce  
16 himself.

17 REPRESENTATIVE KAUFFMAN: He is passing.  
18 Representative Kauffman, Franklin and  
19 Cumberland Counties.

20 REPRESENTATIVE MARSHALL: Good morning.  
21 Representative Marshall, 14th District,  
22 Beaver County.

23 REPRESENTATIVE SCAVELLO: Good morning.  
24 Representative Mario Scavello, the  
25 176th District in good old Monroe County.

1           REPRESENTATIVE PEIFER: Good morning.

2           Mike Peifer, the 139th District, which is  
3 Pike, Wayne, and Monroe Counties.

4           REPRESENTATIVE MUSTIO: Good morning.

5           Mark Mustio, the 44th District in Allegheny  
6 County.

7           REPRESENTATIVE SAYLOR: And I'm  
8 Representative Stan Saylor of York County, who is the  
9 Policy Chairman.

10           Our first testifier this morning is  
11 Sandra Fabry -- did I get that right, Fabry? Fabry;  
12 I'm sorry -- who is the Governmental Affairs Manager  
13 for the Americans for Tax Reform.

14           She comes here as Executive Director for the  
15 Center for Fiscal Accountability.

16           Sandra, whenever you are ready to start.

17           MS. FABRY: Well, Chairman Saylor, dear  
18 committee members, my name is Sandra Fabry. I am the  
19 Executive Director for the Center for Fiscal  
20 Accountability, which is a project line at Americans  
21 for Tax Reform dedicated to the promotion of  
22 transparency, accountability, and fiscal restraint in  
23 government.

24           I appreciate the opportunity to be here  
25 today and testify in support of House Bill 1460, the

1 Pennsylvania Web Accountability, Transparency and  
2 Contract Hub Act, or PennWATCH Act.

3 We are excited to see Pennsylvania join the  
4 ranks of States that are working to empower taxpayers  
5 to become true fiscal watchdogs, because essentially  
6 this is what this movement to bring transparency into  
7 government spending is doing -- it is empowering  
8 taxpayers around the country.

9 The good news is, you are not entering  
10 uncharted territory, which means you can benefit from  
11 the experiences in other States as you work to  
12 implement spending transparency.

13 Just to give you a quick overview of the lay  
14 of the land, in the wake of the Federal Funding  
15 Accountability and Transparency Act which passed in  
16 2006, also known as Coburn-Obama -- and that was the  
17 bill that created *USASpending.gov* -- more than  
18 20 State-level spending transparency bills have been  
19 passed around the country.

20 Several Governors have taken Executive steps  
21 to create similar Websites. Twenty such Websites  
22 created by Executive order or legislation have  
23 already gone live. We are waiting for others to  
24 launch. And several State constitutional officers  
25 have launched their own versions of transparency

1 Websites.

2           In Pennsylvania, the State Treasurer  
3 actually has taken a commendable step in the right  
4 direction with the launch of the e-Contracts  
5 database. But regardless of what some in the  
6 Administration may tell you, this is still not  
7 sufficient in light of the possibilities that are at  
8 hand.

9           That Website at this point only covers  
10 contracts, and as our friends at the Commonwealth  
11 Foundation, who have actually spent a fair amount of  
12 time doing searches on that Website will tell you,  
13 there are some issues involved when you do searches  
14 on that Website.

15           This legislation would broaden the scope to  
16 cover all appropriations over \$5,000. Although, from  
17 our perspective, actually we would like to see a zero  
18 threshold for disclosure. It would cover grants and  
19 would require the inclusion of more detail on the  
20 actual expenditure as well as the actual expenditure  
21 document.

22           And that is something that we feel is very  
23 important and would actually put you ahead of the  
24 game compared to a lot of other States. While they  
25 have a lot of information on the actual expenditures,

1 they don't link to the actual expenditure document,  
2 which provides a lot of context on expenditures.

3           Ultimately, we think taxpayers will be best  
4 served when you get to the point when they are  
5 provided with detailed information on all government  
6 expenditures, and the goal should be to ultimately  
7 get to the point where we can provide that  
8 information in as close to realtime as possible.

9           Here is why: Transparency in government  
10 spending is as much about the notion of  
11 accountability that our Founding Fathers held as it  
12 is about real, tangible, practical benefits.

13           Certainly taxpayers should have the  
14 fundamental right to track tax dollars online,  
15 because after all, they are the ones footing the bill  
16 for every expenditure made by government.

17           But beyond that, there are real tangible  
18 benefits we could point to. Agencies themselves as  
19 well as Legislators will benefit as transparency  
20 allows not just taxpayers but also the legislative  
21 and Executive branches to get a much clearer picture  
22 of how government is actually spending tax dollars.

23           And Texas State Comptroller Susan Combs has  
24 expressed this very well when she said, "...besides  
25 the public having access to information, we

1 discovered our emphasis on transparency had internal  
2 benefits in that it made our own operations  
3 transparent to us. This provided access to such  
4 detailed, centralized and easy navigable information  
5 about our budget and expenditures, which allowed us  
6 to identify redundancies, inefficiencies and other  
7 areas for improvement with a clarity that simply was  
8 not possible before."

9           Consequently, the State Comptroller of Texas  
10 has been able to identify \$8 million in savings in  
11 her office alone, and that number is still growing.

12           Representative Kelley, who you will be  
13 hearing from a little later, can tell you about how  
14 useful KanView is to Legislators in the budget  
15 process. But savings also lie in the area of  
16 requests made under a State Sunshine Law.

17           The South Carolina Comptroller General has  
18 told us that he has noticed a significant drop in  
19 financial information requests. And as we all know,  
20 there are compliance costs involved with Freedom of  
21 Information requests, too.

22           And then there are the intangible savings.  
23 We like to always compare it to quantum physics. The  
24 observation of particles changes their behavior.  
25 It's a little bit like that. When people know their

1 actions are being scrutinized, they tend to change  
2 their behavior, and in the process, we can eliminate  
3 the potential for fraud, waste, and abuse.

4           Before I close, I want to address one of the  
5 more practical issues and one of the questions that  
6 always comes up in the context of spending  
7 transparency legislation, and for a good reason,  
8 because as stewards of taxpayer dollars, you have to  
9 be concerned with the cost question. But here, too,  
10 the good news is, you can benefit from the  
11 experiences in other States.

12           We now have a number of examples of  
13 Websites, both at the Federal level and at the State  
14 level, and in virtually all of those cases, the  
15 actual cost of creating a comprehensive spending  
16 transparency Website is significantly lower than the  
17 initial estimate.

18           At the Federal level, they were looking at a  
19 cost estimate of \$19 million when they started out.  
20 OMB was able to create the Website *USASpending.gov*  
21 for less than \$1 million.

22           At the State level, both Ed Martin, who you  
23 will be hearing from, and Representative Kelley can  
24 attest to the fact that these transparency portals  
25 don't have to be cost prohibitive.

1           And in your packets you have one document  
2 from the Center for Fiscal Accountability that  
3 outlines some of the cost issues, but there is also a  
4 study by the Mercatus Center that was recently  
5 conducted, and they came to the same conclusion and  
6 found that the average cost of a spending  
7 transparency Website, if you have to attach a cost to  
8 it, is \$140,000.

9           A lot of times, States are actually able to  
10 do this within existing resources because they just  
11 shift priorities and can do it without appropriating  
12 any additional tax dollars.

13           And then given the fact that you already  
14 have the Contracts database to build on, there should  
15 be a way to create the PennWATCH hub in a  
16 cost-efficient manner.

17           And with that, we hope that the Legislature  
18 will take the opportunity to empower taxpayers by  
19 passing this legislation, and we urge your support  
20 for House Bill 1460.

21           And with that, I want to once again thank  
22 you, Mr. Chairman, for allowing me to testify, and I  
23 will be happy to answer questions.

24           CHAIRMAN SAYLOR: Thank you for coming.

25           Before I start with questions, I'm going to

1 introduce three members who have joined our hearing:  
2 Representative Rapp of Warren, McKean, and Forest  
3 Counties; Representative Gabler of Elk and Clearfield  
4 Counties; and Representative Metzgar, who is from  
5 Somerset and Bedford Counties.

6 At this point, I recognize Representative  
7 Christiana for comments.

8 REPRESENTATIVE CHRISTIANA: Thank you very  
9 much, Sandra, for your testimony.

10 The first question I have is, you mentioned  
11 that our bill, 1460, sets the spending threshold at  
12 \$5,000 to be reported. The Senate version has theirs  
13 at \$20,000.

14 Obviously I prefer our bill that sets the  
15 threshold much lower, but you had mentioned you would  
16 like to see a threshold of zero.

17 What have other States done, and where have  
18 they set the threshold usually across the board? And  
19 is zero obtainable?

20 MS. FABRY: I would argue that zero is  
21 obtainable, and a number of States have actually  
22 moved to that threshold or actually no threshold at  
23 all.

24 There are a number of States, and I think  
25 part of the problem with that was that the Federal

1 legislation served as a model for a lot of States,  
2 and the Federal legislation had a threshold of  
3 \$25,000 for disclosure.

4 And a lot of States, or several States,  
5 unfortunately adopted that threshold. And while that  
6 may be reasonable at the Federal level, we feel that  
7 at the State level, the closer you get to zero, the  
8 better it is.

9 I would have to go back and look at the  
10 list. I know that Maryland, for example, has the  
11 \$25,000 threshold. There is no threshold for  
12 disclosure in Missouri, and as far as I know, there  
13 is none in Kansas. Texas, I think, has a \$5,000  
14 threshold for disclosure.

15 So the States are a little all over the map,  
16 but from our perspective, there are a lot of  
17 expenditures that fall below those thresholds that  
18 should be part of any comprehensive spending  
19 transparency portal.

20 REPRESENTATIVE CHRISTIANA: Thank you.

21 And my second question is, have you found  
22 that the majority of opponents in these States  
23 that are against this type of legislation, their  
24 number one complaint is cost and they typically  
25 always overestimate the cost of these databases?

1 MS. FABRY: That is absolutely in line with  
2 what we have experienced.

3 Initially, when we first started working on  
4 this issue, there was often also the question of, who  
5 is actually going to look at those Websites, or don't  
6 we already have enough information out there? But  
7 that is something you can easily refute.

8 People are very interested in those  
9 Websites. Ed Martin will tell you about the number  
10 of hits on the Missouri Accountability Portal, just  
11 to give you an indication for that.

12 But the cost issue usually is the biggest  
13 concern that is cited. And when we started out, that  
14 certainly was a very legitimate concern, because we  
15 weren't sure; States hadn't done this before. But  
16 now that we are at the point where we can point to  
17 several States that have very good Websites out there  
18 that were created within existing resources, that is  
19 something we can easily refute.

20 And in most cases, the support for those  
21 spending transparency portals has been very broad.  
22 In a lot of cases, it has been unanimous in many  
23 State Legislatures.

24 Once we were able to work with folks to  
25 bring down the fiscal note and work with them by

1 introducing them to the folks that had actually  
2 already done it in other States, then passage was not  
3 a problem. And the implementation actually turned  
4 out, in most cases, to be cheaper than the initial  
5 estimate.

6 REPRESENTATIVE CHRISTIANA: So one final  
7 question on that.

8 The Senate version of this bill has passed  
9 on party-line votes, but the opponents said that it  
10 would cost several million dollars for the initial  
11 makeup of the database.

12 Would you venture to say in your  
13 professional opinion that that is absolutely  
14 incorrect and, with your help, we would be able to  
15 get that much lower?

16 MS. FABRY: I would argue that this is  
17 incorrect, just based on our experience. Not a  
18 single State spending transparency Website out there  
19 cost more than \$1 million.

20 Again, the average cost has been \$160,000,  
21 which if you factor in the savings that can be  
22 achieved and if you factor in even those  
23 expenditures, or the money to build those Websites  
24 can be found within existing resources, it is a very  
25 obtainable thing.

1           And we would argue that in some cases,  
2   setting a very high fiscal note might be a bit of a  
3   diversion or a red herring, and to our knowledge,  
4   there is no instance where it costs that much.

5           Sometimes people will tell you the overall  
6   cost to overhaul the entire financial management  
7   system is X, and that is the cost of transparency.

8           But within the systems you have available,  
9   you can build fairly good Websites. I know that the  
10   software used in Missouri was built with an older  
11   system. You don't have to necessarily have the best,  
12   newest, most formidable system out there.

13           Certainly if you have the newer software,  
14   things might be easier. But there are things you can  
15   do within the scope of what you have at your  
16   disposal.

17           REPRESENTATIVE CHRISTIANA: Thank you,  
18   Sandra.

19           Thank you, Mr. Chairman.

20           CHAIRMAN SAYLOR: Any other questions?  
21   Representative Kathy Rapp.

22           REPRESENTATIVE RAPP: Sandra, I'm sorry I  
23   was a little late today, but I noticed that you  
24   mentioned several States in your testimony.

25           Is that the total number of States that

1 actually have these Websites in place, or are there  
2 others? And are other States looking at doing the  
3 same?

4 MS. FABRY: There are still a lot of States  
5 looking at it right now.

6 So far, we know of 24 pieces of legislation  
7 that passed around the country in the last 3 years.  
8 That includes, in some States the Governors took  
9 action first and then the Legislatures later acted to  
10 codify the Executive order, because there is a  
11 concern that this needs to be available beyond a  
12 Governor's tenure. This needs to be made available  
13 regardless of who occupies the Executive chambers.

14 Twenty such Websites have launched, and in  
15 the packets you have one handout -- it's a five-pager  
16 or so -- that actually gives you the links to all  
17 those Websites.

18 If you don't want to type in all those  
19 Websites but want to still take a look, I would  
20 recommend that you go to our Website --  
21 *fiscalaccountability.org*. We have a map that you can  
22 click on, and you can get to all those spending  
23 transparency Websites that are out there. Yes.

24 REPRESENTATIVE RAPP: And just one more  
25 question.

1 I'm assuming there's no opposition from  
2 taxpayers when they can see where their dollars are  
3 going, and do you have testimony from taxpayers that  
4 have used the site and have commented on being able  
5 to use the site to see where their tax dollars are  
6 going?

7 MS. FABRY: From our experience, taxpayers  
8 love those Websites. They actually spend a decent  
9 amount of time on those Websites based on the stats  
10 that we have been given from folks around the country  
11 that track how long people are actually searching  
12 those Websites.

13 The Nebraska Treasurer just told us the  
14 other day that the average person spends about  
15 20 minutes on that Website. And if you just look at  
16 Web traffic stats in general, that is a long time for  
17 somebody to spend on a Website. Usually it is just  
18 one click and then you are on to the next Website.

19 But they actually do care, and they really  
20 embrace this. If you look at polling on this issue,  
21 spending transparency Websites usually poll in the  
22 80-percent range of support without people actually  
23 being very familiar with this.

24 REPRESENTATIVE RAPP: Thank you. That is  
25 very good information.

1 Thank you, Mr. Chairman.

2 CHAIRMAN SAYLOR: Thank you very much,  
3 Sandra, for coming today and taking time and effort  
4 to help us set Pennsylvania right, as I would say.

5 I appreciate it, and we will be taking a  
6 closer look, and we may need some advice from you as  
7 we move forward.

8 MS. FABRY: Thank you, Mr. Chairman.

9 CHAIRMAN SAYLOR: Thank you.

10 Our next testifier is going to be joining us  
11 via teleconference from, I believe, Kansas.

12 It's Representative Kasha Kelley. She  
13 represents the 79th House District.

14 She is Vice Chairman of the House  
15 General Government Budget Committee and also  
16 serves on the House Commerce and Labor Committee and  
17 the House Government Efficiency and Technology  
18 Committee.

19 Kansas was the first State to pass such a  
20 measure, and Representative Kelley's bill has been  
21 touted as the best model legislation currently  
22 available to States.

23 Representative Kelley, welcome, and thank  
24 you for joining us.

25 (Sound inaudible.)

1           CHAIRMAN SAYLOR: Representative Kelley,  
2 could you make sure your mike is on?

3           REPRESENTATIVE KELLEY: How are we doing  
4 now?

5           CHAIRMAN SAYLOR: Better.

6           REPRESENTATIVE KELLEY: Good.

7           How are we doing with feedback?

8           CHAIRMAN SAYLOR: We're good.

9           REPRESENTATIVE KELLEY: Excellent.

10           Chairman Saylor, thank you, and committee,  
11 thank you for allowing me to be here. This is the  
12 first time I have testified via Web, and what a great  
13 deal to not have to get on a plane and go somewhere.  
14 Thank you very much.

15           It's absolutely a pleasure to be able to  
16 testify before you today on this issue. This is an  
17 issue that was near and dear to my heart, actually as  
18 a freshman, and I'm now serving in my third term in  
19 the Kansas House.

20           By way of quick introduction as to where  
21 Kansas kind of arrived at their transparency, I had  
22 initially offered a bill on transparency in  
23 advertising, meaning that anytime the State  
24 advertised on tax dollars, that it needed to use some  
25 sort of a disclaimer mentioning that tax dollars were

1 being used.

2           That was received with a fair amount of  
3 criticism, I guess as you might imagine, from some of  
4 the State agencies, et cetera. However, it did make  
5 it through the House and skimmed through the Senate,  
6 and ultimately was more or less vetoed by our  
7 Governor.

8           I went ahead and let that kind of slide to  
9 the background, and in 2007, brought forth the issue  
10 of budget transparency legislation. And that was --  
11 I will make it a short story. Sandra has heard it  
12 many times before, but it was an interesting track, I  
13 think, through the Kansas Legislature.

14           We heard that piece of legislation in the  
15 Kansas Government Efficiency and Technology  
16 Committee, and we spent about 4 days on that. And  
17 I'm not sure how you do it in Pennsylvania, but when  
18 you are spending 4 days on legislation in Kansas,  
19 that is almost unheard of given the time period that  
20 we have for everything that comes through.

21           Now, we had a lot of good input from both  
22 sides of the aisle in our committee, a lot of debate.  
23 And indeed we heard from the Department of  
24 Administration, which was also tasked with actually  
25 building this site if we passed out the legislation.

1           We did pass out that legislation -- it was  
2 in a very bipartisan fashion -- out of committee. It  
3 went to the House floor in 2007 and passed 102 to 20  
4 -- pretty good.

5           We sent it over to the Senate where it was  
6 double referred, and in Kansas, that is really just  
7 another way of trying to deep-six legislation, if you  
8 will, and certainly that legislation wasn't given a  
9 hearing in either of the two committees that it was  
10 sent to.

11           About the end of the session, it was picked  
12 up by one of our Senators, and he ran it as a proviso  
13 to one of our budget bills. And interestingly  
14 enough, after a lot of the same debate that we had  
15 initially started out in committee with, the  
16 Senator -- or they called for the vote, they called  
17 for a voice vote on the Senate floor, and the measure  
18 failed. And he said, let's just make that voice vote  
19 a recorded vote.

20           (Sound inaudible.)

21           CHAIRMAN SAYLOR: Representative Kelley, if  
22 you can hear me, we lost your sound.

23           Okay; we are going to try and get her back.

24           At this point, the next testifier, if we  
25 may, is Ed Martin, who is former Chief of Staff to

1 Missouri Governor Matt Blunt.

2 Mr. Martin has served in the Vatican as a  
3 special assistant to the late Pope John Paul, as  
4 Director of Human Rights for the Archdiocese of  
5 St. Louis, and he was Chairman of the St. Louis Board  
6 of Elections and Chief of Staff to Missouri Governor  
7 Matt Blunt.

8 He currently has his own private law  
9 practice, specializing in public interest  
10 litigation.

11 Mr. Martin, good morning.

12 MR. MARTIN: Yes, sir, Mr. Chairman.

13 Can you hear me?

14 CHAIRMAN SAYLOR: We can hear you great.

15 Thank you.

16 MR. MARTIN: Okay.

17 Well, first of all, thank you very much.  
18 And as only a Missourian can do with a Kansan  
19 testifying before me, there is a bit of a rivalry,  
20 and I promise I didn't kill her feed.

21 I am actually testifying from California, so  
22 as a tip of the hat to John and to your staff as to  
23 how well this is working, I thank you for the chance  
24 to testify.

25 Are you hearing me okay?

1           CHAIRMAN SAYLOR:  Yes; we can hear you  
2 great.

3           MR. MARTIN:  Okay.  Great.

4           As you mentioned, I was Chief of Staff to  
5 Governor Matt Blunt from 2006 to 2008.

6           We employed our Missouri Accountability  
7 Portal a little differently than Kansas did.  They  
8 did it by statute.  We did ours, as you can see from  
9 my brief written testimony, we did ours by Executive  
10 order.

11           We also, to distinguish from some of the  
12 earlier questions, we also did our expenses on the  
13 Missouri Accountability Portal for every single tax  
14 expenditure.  We did not distinguish, you know, a  
15 thousand dollars or anything else; we just did every  
16 single expenditure.

17           And we did it by Executive order on July 11,  
18 2007.  It had taken about 5 months for us to work up  
19 the specifics of the effort, and we went live.

20           I will tell you as a practical matter, we  
21 made some decisions that we learned from but also  
22 were to our advantage.

23           One was, we didn't ask anybody in the rest  
24 of government if they thought it was a good idea.  We  
25 just went live.

1           That caused some heartburn for some of our  
2 allies in the Legislature, some of our department  
3 heads and others who found things that were  
4 embarrassing and a little bit worrisome. But we  
5 knew if we asked too many permissions, we would be  
6 making too many exceptions and slowing down the  
7 process.

8           And I think we learned some things from that  
9 about how to do it better, but ultimately we went  
10 live. And every single transaction went up of State  
11 Government on July 12, 2007, back 8 years to 2000,  
12 about 2000, 1999.

13           A few months later, we did every single tax  
14 credit and who received those tax credits. That went  
15 on line. Then a few months after that, we went with  
16 every salary and every expenditure for employees,  
17 which was actually captured in the regular portal but  
18 also we laid it out there.

19           Our portal updates every single day  
20 automatically, and we have received about 20 million  
21 visitors to the site. It has been very popular.

22           As you can imagine, the press, even with a  
23 Republican Governor who is conservative and crosses  
24 ways with the press quite frequently, they loved it,  
25 and they were very supportive.

1           A few comments, and then I would be happy to  
2 take questions. It may be easier to take questions  
3 from you all.

4           Maybe the most important thing to talk about  
5 is how much it cost us.

6           Our budget in Missouri is now up to  
7 \$23 billion. At the time that we did the Missouri  
8 Accountability Portal, it was a \$21 billion budget.

9           We have 16 agencies spread across all the  
10 sort of traditional agencies you would know, from  
11 Public Safety to the Department of Education to the  
12 Governor's Office, to the Legislature.

13           When we went on line from January 2007 until  
14 July, I had pulled in my IT staff and my Office of  
15 Administration, is what we call ours, and told them  
16 that we were going to do this with existing funds and  
17 we were not going to get a new appropriation.

18           And we went out and we borrowed from our  
19 staff time and our computer area. We used an  
20 existing contract with a State contractor, and we  
21 were able to do this.

22           I can say, looking at the camera, that we  
23 did it with no cost. The truth is, we probably, in  
24 looking at how much staff time it took, that is not  
25 totally fair. In other words, you know, I can say

1 we did not have to do a new appropriation, but, you  
2 know, we probably can tally up the amount.

3 But even tallying up the amount and candidly  
4 letting the bureaucrats tell me what it cost, the  
5 number that we come up with is somewhere around  
6 \$200,000. And I would argue that this idea of how  
7 much it costs is really, candidly, it is not so much  
8 a red herring but I think people are  
9 misunderstanding.

10 In Texas, Comptroller Combs, Susan Combs,  
11 who is a worthy person to talk to since she is both  
12 an elected official and someone who did this, she did  
13 it -- and I forget the cost; Sandra Fabry could tell  
14 you the cost -- but within a few weeks she was able  
15 to identify millions of dollars in savings that  
16 you'll identify when you do this accountability  
17 portal, and I think that is where this is at.

18 Now, I understand -- and I'll comment in a  
19 second on local governments -- I understand the  
20 pressure on our governments across the country, but  
21 this is really something in the long run that will  
22 save money.

23 Two or three more observations.

24 One, everybody has to be ready to be  
25 embarrassed. When you do this and put every

1 transaction on line, there will be things that are  
2 silly and that are embarrassing and, frankly, if you  
3 are a good government person, you want to get rid  
4 of.

5           For example, Governor Matt Blunt went to a  
6 meeting in Washington, DC, of sort of policy people,  
7 and one of the people from the National Taxpayers  
8 Union raised their hand and said, Governor, I really  
9 love the Missouri Accountability Portal; it is what  
10 we want to do, but what exactly was being spent at  
11 Annie's Bra Shop in Mid-Missouri? And he said, I  
12 don't know but I'll find out.

13           And we looked into it. It turned out that  
14 there was a reason to spend money at Annie's Bra  
15 Shop. It had to do with corrections and some of the  
16 women that are incarcerated that have needs.

17           But there are other examples that will be  
18 sort of -- you'll find the answer and it will be not  
19 pleasing to you, and you'll have to be willing and  
20 confident enough in your Administration and what you  
21 do to do it in. I think that can be difficult for  
22 people to wrap their arms around.

23           The other thing is, transparency is a  
24 neutral tool. It is a tool for us to use government  
25 better, I think. But it is neutral. So if you don't

1 want to change your habits, you can put things on  
2 line and you can never change your habits or you can  
3 not modify your behavior.

4           The other thing is, beware of people who are  
5 trying to talk about transparency and are not  
6 particularly being transparent.

7           And not to be too political, but the Obama  
8 Administration's transparency Website for the  
9 stimulus bill is no more than public relations about  
10 what was in the bill. There is not the kind of  
11 spending transparency that really would foster an  
12 understanding of how the money is being spent.

13           And I think we could all chant the word  
14 "transparency" and the public will like it. The  
15 question is whether we really do something about it  
16 and that works really well.

17           The last comment, I would say, it seems to  
18 me -- and I think our Legislator in Kansas can talk  
19 better and Sandra -- this is really sweeping the  
20 country, and it's a tool that our citizens want more  
21 and more.

22           One of the places they are going to want  
23 this technology and the ability to use this tool is  
24 at the local level.

25           In Missouri, we have seen three or four of

1 our small towns asked to do transparency. We have a  
2 school board, a set of school boards that are using  
3 transparency.

4 They often start with the posting of your  
5 checkbook on line so that you can see what the  
6 checkbook is doing, what money is going out. But  
7 they have rapidly and increasingly been focusing on  
8 transparency in this more specific sense.

9 So maybe the final thing -- I'm sorry; I'm a  
10 little bit rushed through. And I'm on western time,  
11 too, so it's really early. But one of the things  
12 that happened with our portal is you have to be  
13 willing to adjust it and see what the mistakes are  
14 and what is going on.

15 So there was ongoing some, you know, kind of  
16 "lessons learned" that we were doing, and we would be  
17 happy to share that. We have the computer guys as  
18 well as myself and others who are focused on the  
19 overall picture. But we would love to help  
20 Pennsylvania do it more and more.

21 And the last thing about Pennsylvania, one  
22 difference in the States -- this is what I really  
23 want to say -- in Missouri, we had forced all of our  
24 departments to do IT consolidation from 2005 to 2006  
25 and '07, so when we went to build the portal, we were

1 plugging into 16 departments in the State, but they  
2 were all already using similar IT, and also with one  
3 exception, similar accounting programs. So ours was  
4 easier.

5 So to be candid, we may have been in a very  
6 advantageous place to do this, but yet I would say it  
7 is still very possible.

8 So having said that, and I hope I didn't  
9 speak too loudly or too quickly -- I actually happen  
10 to be a native of your neighbor New Jersey, so that  
11 is why I speak so fast. I'm a New Jersey guy.

12 So thank you, Mr. Chairman.

13 CHAIRMAN SAYLOR: Mr. Martin, thank you.

14 You know, when you talk about openness and  
15 saving money in government with the openness, that is  
16 one of the reasons today we have you and  
17 Representative Kelley on here, is that we in the  
18 Republican Caucus spend a lot of dollars sometimes  
19 flying people in or having to pay the expenses of  
20 getting people to come to Pennsylvania to testify, as  
21 I'm sure happens in other States.

22 So we're looking at ways of cutting dollars  
23 here in the Republican Caucus as well, and this is a  
24 lot cheaper than paying air flight for you two to  
25 come in.

1           So I really appreciate the fact that you  
2 both probably got up a little earlier maybe than  
3 normal to testify here in Pennsylvania since you are  
4 on a different time zone.

5           But my first question to you, Mr. Martin,  
6 is, when you instituted this, did you see obvious  
7 changes in spending habits?

8           MR. MARTIN: Yes. Let me answer it two  
9 ways.

10           Lessons learned looking back, and if I were  
11 able to go back in time and be Chief of Staff again  
12 at that time, I would have done what Susan Combs did,  
13 and I would have set in place measurables on exactly  
14 what we saved and how we saved it.

15           We sort of missed that opportunity. We kind  
16 of got in there, and like I said, we sort of did ours  
17 -- we turned the light switch on.

18           And one footnote. Kansas has had success  
19 making theirs a statute. In Missouri, we did it by  
20 Executive order. We could do it all by Executive  
21 order, and it worked well.

22           This past Legislature, just a few months ago  
23 in Missouri, passed it in a statute. It will be  
24 signed by the Governor, a Democrat Governor, and it  
25 will be permanent, which is something that as a

1 policy matter we always strive for.

2 So first, lessons learned, I would sort of  
3 have a watchdog who would watch and calculate the  
4 exact expenses. I have a hard time telling you a  
5 number.

6 But what I will tell you is that it  
7 definitely modified behavior, and that behavior had  
8 to do with spending, if only because in the first  
9 weeks, we had hundreds of calls and hundreds of  
10 comments. And I had a staffer whose job every day  
11 was to go on line and find things that were  
12 ridiculous and then call our departments and start to  
13 modify them.

14 One example that I give people that we  
15 started to do, and when I was departing we were still  
16 in the process of doing, but I suspect in  
17 Pennsylvania would be an incredible expense and worth  
18 looking at, we have to, by requirement, advertise in  
19 newspapers to give notice to people regarding either  
20 the sale of property or all kinds of things that go  
21 on in State Government. And so we spend in Missouri  
22 with our two or three largest papers hundreds of  
23 thousands of dollars in advertising fees.

24 Well, lo and behold, when you look at the  
25 numbers, you look and you find that we also spent

1 tens of thousands, almost a hundred thousand, in  
2 subscription fees from the same papers.

3           So we went back to some of those papers and  
4 said, hey, we use you for these advertisements; you  
5 know, we would like to get a rate on the  
6 subscriptions, and we got a better rate and we saved  
7 some money there.

8           The other thing that we did is we had a  
9 conversation -- and this may be less popular with our  
10 newspaper publishers -- but we had a conversation  
11 with all of our departments saying, look, you don't  
12 get 50 copies, say, of the St. Louis Post Dispatch  
13 from a subscription because you can read the whole  
14 paper on line, and everybody has got a computer in  
15 State Government.

16           So there are lots of things like that. We  
17 didn't quantify it well enough. But I think, again,  
18 if you put a watchdog person on it, you will find  
19 that.

20           And our departments knew it was a priority  
21 for our Governor, and so even the bureaucrats that  
22 sort of stay in government, God bless them, you know,  
23 good, hardworking people that work in government,  
24 they realized this was a priority and they started to  
25 find things themselves that we could cut back on and

1 we could change.

2 So it definitely has an impact.

3 CHAIRMAN SAYLOR: Very good.

4 Any other questions from the members?

5 Mr. Martin, again, thank you for your time  
6 this morning. And again, we may need your counsel as  
7 we move through this process further on. But again,  
8 thank you.

9 MR. MARTIN: Yes.

10 CHAIRMAN SAYLOR: And it looks like your  
11 colleague -- I shouldn't say a colleague, but your  
12 fellow opposition there in Kansas, we have her back.

13 MR. MARTIN: It's a friendly rivalry, right?

14 CHAIRMAN SAYLOR: And so we can now say for  
15 sure you did not do anything to hurt her in your  
16 rivalry between Missouri and Kansas.

17 MR. MARTIN: Thank you, Mr. Chairman.

18 CHAIRMAN SAYLOR: Thank you again.

19 Before we proceed with Representative  
20 Kelley, we were joined by two more members --  
21 Representative Ellis from Butler County and  
22 Representative Stevenson from Mercer and I believe  
23 Butler County as well.

24 So Representative Kelley, thank you for  
25 coming back. We are glad to have you back again.

1           Please continue.

2           (Inaudible.)

3           CHAIRMAN SAYLOR: I think your mike is off.

4           REPRESENTATIVE KELLEY: Let's try it again.

5           How about now?

6           CHAIRMAN SAYLOR: That's great.

7           REPRESENTATIVE KELLEY: Okay; good. Sorry  
8           about that. I got kicked out of the program.

9           I think I was in the midst of telling you  
10          what I thought was a little bit ironic, and that was  
11          that on the Senate side, when the bill was kicked  
12          out, there was a proviso.

13          On a voice vote, when it was called to vote,  
14          it actually failed, and the Senator who had picked it  
15          up and run it as a proviso asked for a recorded vote,  
16          and on the recorded vote, it passed. So that set  
17          into motion in 2007 KanView and began the building of  
18          the Website.

19          In 2008, and I heard Sandra say a little bit  
20          earlier something about if Governors come or go, or  
21          maybe I'm not certain who said it, but if Governors  
22          come or go, you want something in statute. And so I  
23          did bring this back again in 2008. And in the House,  
24          a lot of members said, haven't we heard this before?  
25          And I said yes, same bill.

1           We ran it out of committee again. Made a  
2 few modifications to it, nothing severe. Ran it on  
3 the floor again in the House in 2007. It was 102 to  
4 20. It went 119 to 3. We sent it over to the Senate  
5 again. It was again not given a hearing.

6           And I want to say this, because this, to me,  
7 is a very interesting point about transparency, and  
8 at least in Kansas. This was not a partisan bill.  
9 This is a bill about who is the big spender and does  
10 not necessarily want some of those things out in the  
11 open, as I was saying, and those of us who really  
12 believe that government is a tool that is the  
13 people's tool that should be used wisely, that should  
14 be open and transparent.

15           So we never saw this really fall on partisan  
16 lines in the Senate where the trouble came through.  
17 It was really more what I would call the big  
18 spenders, the folks who didn't really want things to  
19 come out.

20           I was given a token hearing on the very last  
21 day of the 2008 session that was possible to be heard  
22 in committee, and of course that didn't leave time  
23 for working the bill. So I did find, after searching  
24 for many different vehicles, a conference committee  
25 to fold it into, and it is now part of statute, which

1 I am very pleased to say.

2 Just, unfortunately, I have not seen the  
3 bill that you all are working on, but just as a quick  
4 piece of information, what is included in KanView, I  
5 heard earlier that you visited about minimums. We  
6 don't have any minimums, and frankly, I would think  
7 that if you are going into a program site like this  
8 -- in our company, we do a lot of programming -- if  
9 you are going to set some sort of a minimum  
10 threshold, I think you are actually asking for more  
11 programming. If you are pulling information out of  
12 your financial systems, I would think it would be  
13 easier to do it without a threshold.

14 And what's the point of a threshold? If  
15 you're going to be transparent, let's be transparent.  
16 Five thousand dollars isn't much, but \$5,000 adds up.  
17 After \$5,000 after \$5,000 after \$5,000, you start  
18 actually getting into some real money there. And if  
19 you talk to anybody in business, they will always  
20 tell you it's not the big expenses often that get  
21 you; it's the small expenses that sneak up and  
22 accumulate.

23 So we don't have a minimum in Kansas. We  
24 really are looking at many, many things, and I have  
25 highlighted -- let me see if I have it here handy. I

1 had highlighted in our bill just some of the things  
2 that are actually in it that I thought you might find  
3 of interest.

4           When we are talking about disbursements, we  
5 are talking about bond debt payments, salaries and  
6 wages.

7           Salaries and wages was not something that  
8 came on immediately. We've been working on it.  
9 There was some objection on grounds of certain  
10 salaries that maybe shouldn't be open to the public.  
11 I'm not exactly sure what the beef was at the heart  
12 of it, but we're getting salaries and wages on line;  
13 contractual services that were paid to individual  
14 vendors; capital outlay; debt servicing; aid to local  
15 units; anything coming in as far as revenues;  
16 receipts or deposits that maybe were compulsory  
17 contributions imposed by the State for the purpose of  
18 financing; agency earnings; revenue for money used in  
19 the selling of property, et cetera, et cetera. Gifts  
20 and donations; Federal grants. We tried to put  
21 pretty much everything but the kitchen sink in that  
22 would be, obviously, not currently protected by law.  
23           I think Ed has already mentioned and Sandra  
24 has mentioned some of the things that are thrown up  
25 as insurmountable, if you will, sometimes roadblocks

1 to doing this kind of legislation. I certainly have  
2 not found in my working of this any of those things  
3 to actually be true.

4 We have about three major objections. One  
5 of them, the most minor, was that private information  
6 would be put up on KanView. Obviously we are not  
7 going to do that, and no other State is going to do  
8 that either. If that information is already  
9 protected by statute, we followed through in KanView  
10 and that information isn't there.

11 In my testimony -- and I hope you all got  
12 it. I'm sorry; I run a business, too, and so I was  
13 up doing it quite late this morning, because our  
14 business, as every other business in the economy, is  
15 taking a little more oversight right now.

16 Perhaps probably the most potent sound-bites  
17 that were put out there to be hurdles to this success  
18 had to do with both cost and the fact that, quote,  
19 unquote, "information was already out there."

20 And when I say potent sound-bites, I was in  
21 -- I don't remember where I was not too long ago  
22 ready to speak on this issue, and I was out on the  
23 Web just kind of seeing what other States were doing  
24 up to the minute, and I came across several articles  
25 that said Kansas spent \$40 to \$50 million to get

1 their transparency site in place, but boy, was it  
2 worth it. And that could not have been further from  
3 the truth. But those pieces of information that were  
4 put out there to stymie the process actually got  
5 traction, I guess.

6 I want to talk about, though, in case it  
7 does come up in Pennsylvania, the idea that this  
8 information is already out there. It is true that a  
9 lot of our agencies do put information on their  
10 agency Websites and that if you are a savvy Web  
11 surfer, that you can go out and find a lot of this  
12 information.

13 What I would tell you is a lot of that  
14 information is very disparate. For instance, if you  
15 were trying to find prior to KanView the total bonded  
16 indebtedness of the State of Kansas, you could go to  
17 several different Websites. You could find some  
18 numbers on bonded indebtedness, but what you wouldn't  
19 know is if you had captured it all.

20 And furthermore, what I found when I was  
21 working on this is that the Web crawlers that we are  
22 all using -- and I don't know, maybe Bill Gates is  
23 going to solve this in the future -- but the Web  
24 crawlers that we're all using can't reach into  
25 what is called the deep Web, and a lot of the

1 information in the Web is not searchable by our  
2 crawlers.

3           So while it may technically be out there,  
4 it's out there in the deep Web and it's difficult to  
5 get to. So, you know, in my opinion, that goes right  
6 in line with it's not really out there if you as a  
7 lay person cannot retrieve it.

8           And indeed I was searching one night,  
9 wanting to give a talk to our seniors, and jumped on  
10 line to find out what we were spending on certain  
11 aspects of our aging community -- our friendship  
12 meals, et cetera. I searched for 2 hours, and I was  
13 so frustrated -- this was pre-KanView -- I was so  
14 frustrated, and I thought, this is ridiculous; it  
15 shouldn't be that difficult to find how we spend the  
16 people's money.

17           So, you know, that can be thrown up as an  
18 argument, but I think it's really an invalid  
19 argument when you look at the need to have an easily  
20 searchable, single Website where you can go and  
21 gather aggregate information like KanView does.

22           You have heard information on cost. I will  
23 kind of briefly go through it. That was probably the  
24 largest red flag, and I will call it a red herring  
25 that was thrown out in the State of Kansas.

1           Our goal was to construct this site at no  
2 additional cost to the taxpayer, and I believe we did  
3 that. Our Department of Administration -- I'm very  
4 proud of them -- who initially was very unsure of  
5 this legislation, got in there and figured out how to  
6 do it within existing resources, and I am not aware  
7 of any other projects that it cost us.

8           I think they did a good job of balancing  
9 their time and making certain that they could pull  
10 KanView through without any additional costs. So we  
11 didn't have any allocation made. And as I said, to  
12 my knowledge, there were no other jobs that suffered  
13 as a result of it.

14           I think when you are looking at costs, and  
15 again, this has been mentioned, but you really need  
16 to go back and look at the comparisons that other  
17 States are spending, et cetera. And I think the most  
18 striking thing is the Federal transparency Website,  
19 and I know Sandra spoke to that.

20           I believe initially they had projected that  
21 to cost somewhere in the neighborhood of \$15 million,  
22 and with OMB's software, which, by the way, is  
23 shareware and can be used by any State, and Google  
24 has, at least in the past, offered to help States as  
25 well with their search engines.

1           But the Federal site came in, I believe,  
2 just around a million dollars. Now, we all know that  
3 the Feds have a far larger financial picture than any  
4 of our States, and if they can do it for roughly a  
5 million dollars, I think the States can, too.

6           I know Oklahoma put theirs together  
7 somewhere in the neighborhood of \$150,000 to  
8 \$200,000. You already heard Ed with their Executive  
9 order and what it was they were able to do in  
10 Missouri.

11           So, you know, if you get down to the issue  
12 of what this costs, I think it is really a moot  
13 point. And, quite frankly, I think what you can find  
14 in savings far outweighs any cost, that average cost  
15 that Sandra was talking about.

16           Just in closing really for me, I know all of  
17 the States are going through the same pain right now  
18 with their budgets, and I will say in Kansas that the  
19 economy is not at fault for our budget crisis. The  
20 government is at fault for our budget crisis.  
21 Legislators are at fault for our budget crisis. We  
22 were spending too much in times when things were,  
23 quote, unquote, "good."

24           I think that Kansas, at least in the 5 years  
25 that I have served, has always exceeded revenues

1 coming in, and that's a problem. You would never do  
2 it in business. You would never do it in business,  
3 and it has caught up with us.

4 This is something that I and some of my  
5 colleagues have been saying for years. You cannot  
6 continue to spend over and above in good years,  
7 because sooner or later a bad year is going to come  
8 along. Well, it did, and then the economy hit.

9 So when you are looking at those growing  
10 spending rates, the growing debt loads, any  
11 off-budget or redirected moneys -- you know,  
12 redirected moneys, I think, are very interesting,  
13 off-budget moneys are very interesting, and of course  
14 those things come into play when you are looking at a  
15 transparency Website.

16 When those are accounted for at the end of  
17 the day, I think Legislators are deferring their  
18 duty, and we need to be accountable for what it is  
19 that we spend. And of course we all know that good,  
20 accountable government works in all of our favor.

21 And it can be, you know, Ed was right, it  
22 can be embarrassing when you look at some of the  
23 things that are on your Websites. I will tell you  
24 this year -- and I'm not certain that Kansas has  
25 still fully come to grips with where we are

1 financially. We passed a budget that amazingly -- I  
2 didn't vote for it -- but amazingly left us with  
3 \$17,000 at our sine die. So that will, of course,  
4 have repercussions. Our Governor is going to have to  
5 go in and make allotments here soon, and I'm not  
6 certain what that will do to agencies that we have  
7 already cut quite a bit.

8 But you will find things on there that you  
9 are a bit shocked about. And I know in the  
10 Appropriations process this year, I referred to  
11 KanView quite a bit.

12 When you get into the things like rent, what  
13 kinds of rental fees are being paid by your agencies,  
14 sometimes those are astounding figures. And if you  
15 are looking at those particular rentals in a tough  
16 time like it is now, it begs the question, have you  
17 gone back and tried to consolidate some of those  
18 rental spaces? Have you gone back to negotiate those  
19 rental contracts? When was the last time that you  
20 negotiated those rental contracts?

21 So we were able to ask some of those  
22 questions, and I think we'll continue to keep our eye  
23 on KanView as Legislators as we go forward in trying  
24 to find out what some of the information that maybe  
25 the agencies aren't bringing to us in their

1 testimonies really is.

2 I guess I would just close with a quote that  
3 I thought was very interesting. James Madison once  
4 wrote in a letter to an associate -- and I love this,  
5 and I have used it several times -- he said, "A  
6 popular government without popular information, or  
7 the means of acquiring it, is perhaps a prologue to a  
8 farce or a tragedy, or perhaps both."

9 "Knowledge will forever govern ignorance;  
10 and a people who mean to be their own governors  
11 must arm themselves with the power which knowledge  
12 gives."

13 Certainly transparency allows the people to  
14 have the power that truly is theirs. I don't know if  
15 it was Grover Norquist who said "transparency is the  
16 new democracy," but whoever said that I think is on  
17 to something there, because when we are transparent,  
18 it allows us to prioritize. It allows us to look at  
19 performance-based budgeting, different things of that  
20 nature, that actually lead to better and more  
21 effective government.

22 So, Chairman Saylor, I appreciate again the  
23 opportunity to be with you. I commend Rep -- and I  
24 hope I'm going to say his name right -- Christiana  
25 for bringing this legislation forward.

1           As you know, it is kind of sweeping the  
2 nation, and certainly Americans for Prosperity has  
3 been right in there helping it along, and I can't say  
4 enough wonderful things about that organization and  
5 the help that they have given to other States.

6           There's lots of help out there. Our tech  
7 folks would be more than interested in helping if  
8 they can, and certainly I would be happy to help if I  
9 can.

10           At this time, if anybody has questions, I  
11 would sure stand for them.

12           CHAIRMAN SAYLOR: Thank you, Representative  
13 Kelley.

14           Representative Jim Christiana has some  
15 questions.

16           REPRESENTATIVE CHRISTIANA: Good morning.

17           Thank you very much for being with us today,  
18 Representative.

19           And my first question is, what is the size  
20 of your operating budget?

21           REPRESENTATIVE KELLEY: I'm sorry. Can you  
22 say that again?

23           I've got a little bit of a different setup  
24 here. I'm trying not to have echo for you all, but  
25 I'm trying to hear as well.

1 REPRESENTATIVE CHRISTIANA: That's okay.

2 What is the size of your operating budget?

3 REPRESENTATIVE KELLEY: The State of Kansas,  
4 if I heard you correctly -- I've got a little bit of  
5 echo going on on my side, and I can hear both of us  
6 -- if I heard you correctly, are you asking for the  
7 size of our budget in the State of Kansas?

8 REPRESENTATIVE CHRISTIANA: Yes. Yes.

9 REPRESENTATIVE KELLEY: Okay.

10 Our general funds run, I'm sure, much, much  
11 smaller than Pennsylvania. We are in the  
12 neighborhood or were in the neighborhood of about  
13 \$13 billion before we started our cuts this last  
14 year. We did some fairly significant cutting to a  
15 number of our agencies.

16 And I have not received the new pie chart  
17 yet that we have in terms of where we ended up with  
18 our budget this year. I can tell you that every year  
19 that I have been in the Legislature, our spending has  
20 grown between 8 and 9 percent, and of course you have  
21 to compound that every year. And at last check, we  
22 were up around that \$13 billion mark.

23 Does that answer your question?

24 REPRESENTATIVE CHRISTIANA: Yes. Thank you  
25 very much, Representative.

1           CHAIRMAN SAYLOR: Representative Kelley, in  
2 your legislation that became law there, do you have  
3 teeth in that legislation that, let's say the  
4 Governor, or the Senate, since you are in the House,  
5 decides they don't want to post something and they  
6 don't do it. Is there teeth in there that in some  
7 way there is judicial action or any kinds of  
8 penalties for any agency that may not post these  
9 kinds of things that are required?

10           REPRESENTATIVE KELLEY: You know, that's a  
11 good question, and we actually talked about that in  
12 committee. However, the way the process works, there  
13 are two things.

14           We actually have a transparency board, a  
15 finance transparency board. And this was a piece  
16 that I did not bring forth in the original bill; this  
17 was added in committee.

18           And I think you could argue maybe the board  
19 is a little large, but we do have particular members  
20 on that board that need to be there, including a  
21 couple members of the public.

22           That board is in place to help oversee what  
23 is and is not on the transparency site, and that  
24 board is also a portal, if you will, for additional  
25 information to be put on this site.

1           Because of the way that our law reads,  
2 really all of the information -- and I wish we  
3 updated daily like Missouri does. We do not. At the  
4 end of the year -- and this is something that we'll  
5 probably want to look at in the future. Being the  
6 first out of the gates, you know, as Ed was saying,  
7 you learn some things. But our's updates at the end  
8 of every fiscal year. Our Department of  
9 Administration has a certain amount of time to get  
10 everything on line.

11           And so it's all going to be there, because  
12 what we're pulling from is our financial management  
13 system. So any disbursements, any revenues coming  
14 in, just like a checkbook register, they are going to  
15 be recorded. So if they are in there, they are going  
16 to be on KanView.

17           You would have to go in and you would have  
18 to, an agency would have to -- I don't even know how  
19 an agency would non-report this, because then they  
20 wouldn't have the funds coming to them.

21           So it is not really an issue of what the  
22 agency chooses or doesn't choose to report. It's  
23 what is actually in the checkbook register for the  
24 State of Kansas, and that will be on the KanView  
25 site.

1           Something that I would like to tie into  
2 this, and then I'm not sure in Pennsylvania what path  
3 you are taking, but Kansas has very antiquated  
4 systems. We were at one point on cutting technology  
5 with regard to our systems, but that has probably  
6 been 15, 20 years ago. And the financial management  
7 system that we are working out of right now, we  
8 actually are working out of two of them, and they are  
9 very antiquated.

10           When this bill came up, we had, I think, a  
11 unique situation and a wonderful situation, that if  
12 States can find it, it's a great time to do this.  
13 Our Department of Administration was wanting to put  
14 together -- and it is still working on it; it's not  
15 up -- a new financial management system. That  
16 financial management system has a price tag of \$40 to  
17 \$50 million, which I think is too high, but  
18 nonetheless, it was in existence.

19           And because that was coming onboard, we  
20 asked them to simply fold into the design of their  
21 new FMS this transparency Website, the reason being  
22 that when that came onboard, we wanted that  
23 information to easily flow.

24           Our new financial management system, you get  
25 down right now to the absolute barebones of what our

1 current systems show. So if you go onto KanView and  
2 you go down to the lowest level, you'll see what  
3 certain contractors were paid, et cetera, per  
4 invoice.

5 What I would like to see is a little bit of  
6 detail on that invoice, and I think when we get into  
7 our new financial management system, that detail will  
8 be available.

9 But that new financial management system  
10 that is being developed gave us kind of an entrée for  
11 putting in the transparency system. However, if it  
12 is never put together, the information is still  
13 there, because once again, you are simply dumping out  
14 of your system, exacting out what payments and what  
15 revenues are coming in.

16 CHAIRMAN SAYLOR: The last question,  
17 Representative Kelley, is, in your covering of  
18 agencies, do you cover the judiciary branch as well  
19 with these disclosures?

20 REPRESENTATIVE KELLEY: Anybody who is  
21 receiving funds from our General Fund is going to be  
22 there.

23 Schools are kind of a good example, and --  
24 yes, there would be some information there. Schools  
25 are probably a really good example because you have

1 some of the aid that is going to those local schools.  
2 Yet we don't have the entire school budget on there,  
3 which is something that I would like to see in the  
4 future. I would like to see the schools jump on our  
5 transparency site and go ahead and lay open their  
6 budgets as well.

7 But any portion of money that is coming out  
8 of the State Treasury is going to be reported. So if  
9 the judicial branch is receiving some, and indeed  
10 they do, that information will be reported.

11 CHAIRMAN SAYLOR: Representative Kelley, I  
12 want to thank you again for joining us, and I  
13 appreciate your time. And I also thank you for your  
14 efforts to make government better in Kansas, and  
15 hopefully we can follow your example here in  
16 Pennsylvania.

17 REPRESENTATIVE KELLEY: My pleasure. I hope  
18 you can, too.

19 And again, thank you. You have a lovely  
20 room there, and I appreciate the opportunity.

21 CHAIRMAN SAYLOR: Thank you. You'll have to  
22 come and visit the Pennsylvania State Capitol  
23 someday.

24 REPRESENTATIVE KELLEY: I would love to. I  
25 would love to, and we'll host you in Kansas as well.

1           CHAIRMAN SAYLOR: We would love to do that  
2 as well. Have a great day.

3           Our next testifier is Nathan Benefield, who  
4 is Director of Policy Research for the Commonwealth  
5 Foundation.

6           Nate has researched and written on public  
7 policy issues, including taxation, government  
8 spending, education reform, transportation funding,  
9 health-care policy, economic development. And he  
10 is a graduate of DePaul University in Chicago,  
11 Illinois.

12           And also with him today is Elizabeth Bryan,  
13 who is a 2008 graduate of Grove City College here in  
14 Pennsylvania, and she earned her bachelor's degree in  
15 history.

16           Elizabeth does research and has written on  
17 topics of government reform, energy policy, and  
18 government transparency.

19           Welcome to both of you. Please start your  
20 testimony whenever you can.

21           MS. BRYAN: Good morning.

22           I'm Elizabeth Bryan, a Research Associate  
23 with the Commonwealth Foundation, a free-market  
24 public policy research and education institution  
25 based in Harrisburg.

1           I am joined by Nathan Benefield, who is our  
2 Director of Policy Research.

3           I want to thank Chairman Saylor and the  
4 members of this committee for allowing us to testify  
5 on this very important issue.

6           Pennsylvania needs greater transparency in  
7 how taxpayer money is being spent. Creating an  
8 online database to track all of the State spending is  
9 key to spending reforms. It allows every citizen to  
10 become a government watchdog and see for himself how  
11 government money is being spent.

12           It is inexcusable, particularly in our  
13 current economic environment, for lawmakers to deny  
14 Pennsylvanians the cost-saving tool available to  
15 taxpayers in more than 20 other States.

16           A single Website containing State spending  
17 data would benefit not only taxpayers but also  
18 elected officials. The current debate over the State  
19 budget is indicative of our need for greater spending  
20 transparency.

21           While both Democrats and Republicans offer  
22 rhetoric about the draconian cuts or wasteful  
23 spending, it is difficult for the average citizen,  
24 even for the media, watchdog groups, or rank-and-file  
25 lawmakers, to evaluate this claim.

1           The information Pennsylvanians can currently  
2 find on line is inadequate. While the Treasurer's  
3 Contracts database and other State transparency  
4 initiatives are worthy efforts, they are  
5 insufficient.

6           The State Treasury Department's Website is  
7 limited to information on State contracts, and even  
8 that is difficult to navigate if a user is not  
9 searching for a specific vendor.

10           Currently, Legislators are hard pressed to  
11 identify the programs and line items that are  
12 ineffective or duplicate other efforts. Aggregating  
13 all spending information into one database would help  
14 Legislators and staff, media and the public, to  
15 identify exactly what line items are funding.

16           A clear connection between appropriations  
17 and actual services allows citizens to track the  
18 results and successes of government initiatives.

19           At the same time, policymakers would be  
20 incentivized to carefully consider each and every  
21 vote for additional spending, dampening the tendency  
22 to do something regardless of the actual results.

23           Take an innocuous-spending program from the  
24 budget, like "Economic Advancement" in the Department  
25 of Community and Economic Development. It received

1 \$17 million in State funding last year. Governor  
2 Rendell has proposed cutting it in half, and the  
3 Senate budget eliminated the line item.

4           What does this fund? It is impossible to  
5 tell using current sources. It isn't listed as a  
6 program in the DCED Investment Tracker.

7           Are there contracts for the funds?  
8 Doubtful. And even so, who is willing to browse  
9 through 772 pages of 7,722 DCED contracts on the  
10 Treasurer's site?

11           We believe the public should be able to  
12 easily find any grant, contract, or expenditure of  
13 tax dollars on a single searchable database,  
14 including all aspects of government spending.

15           Transparency is not a partisan issue. It is  
16 simply good government.

17           In 2006, then-Senator Barack Obama  
18 cosponsored Federal legislation to create  
19 *USASpending.gov* with Republican Senator Tom Coburn.  
20 Since that time, Governors and State Legislators of  
21 both parties have supported transparency legislation.

22           Last month, Pennsylvania Senate Democrats  
23 claimed that such a database would cost \$7 million to  
24 create and \$1 million to maintain every year  
25 thereafter. This claim is preposterous, as it

1 ignores the experience of both the Federal spending  
2 database and those in other States.

3           As you have already heard, the Mercatus  
4 Center at George Mason University studied  
5 10 recently launched transparency databases and found  
6 the average cost to be about \$140,000. I believe  
7 your written testimony says \$160,000. That's a typo.

8           Most States overestimate the cost of  
9 creating and maintaining a database. To date, the  
10 most expensive of these online databases was Texas's,  
11 which was completed for \$310,000.

12           Georgia, Illinois, Louisiana, Maryland,  
13 Missouri, Rhode Island, South Carolina, South Dakota,  
14 and West Virginia all created databases from existing  
15 resources, meaning no new appropriations were  
16 necessary.

17           Even the Federal database at *USASpending.gov*  
18 cost less than \$1 million to create.

19           However, it is not just the low cost that  
20 makes transparency worthwhile; it's the savings that  
21 result from increased efficiency. Spending  
22 transparency would allow lawmakers and citizen  
23 watchdogs to identify and eliminate wasteful and  
24 duplicative spending. It would reduce the amount of  
25 staff time and printing costs to fulfill open records

1 requests, and it would produce savings in State  
2 contracts. An open government can be created for a  
3 low cost relative to the savings generated.

4 South Carolina's Comptroller General has  
5 already seen the number of Freedom of Information  
6 requests decrease since launching a spending  
7 transparency Website.

8 The Texas Comptroller estimates transparency  
9 efforts have already saved the Lone Star State  
10 \$5 million, with more savings to be realized in the  
11 future.

12 She stated, "A closer look at our contracts  
13 for toner cartridges revealed a simpler and smarter  
14 way to consolidate purchases through one contract,  
15 rather than through multiple vendors. Getting a  
16 discount for volume saved us more than 20 percent,  
17 for a total of \$73,000 on that one item."

18 Watchdogs using the Missouri Accountability  
19 Portal found the State spending \$1.6 million at  
20 coffee shops, \$387,000 at framing stores, \$78,000 at  
21 florists and nurseries, and \$78,000 at doughnut shops  
22 from 2000 to 2008.

23 Let me also suggest some improvements to the  
24 current proposals for State spending transparency  
25 being considered and to just suggest building a

1 comprehensive spending Web portal.

2 Folding current efforts, such as the DCED's  
3 information on grants and the Treasurer's Contracts  
4 database, into a new spending database would save  
5 money and provide greater information.

6 Including information on State employees'  
7 salaries -- such as legislation by Senator Dominic  
8 Pileggi would do -- in this transparency portal would  
9 offer more openness in Pennsylvania government.  
10 Allowing school districts and local governments to  
11 use the same technology to provide the same level of  
12 transparency to their constituents will go a long way  
13 in improving transparency in government spending.

14 The advantages of an open government are  
15 numerous:

16 • Spending transparency can be created at  
17 little or no cost to taxpayers.

18 • Transparency is a means for building  
19 trust and a good management tool to prevent future  
20 abuses.

21 • An online database could decrease the  
22 amount of paperwork for government employees.

23 • Posting grants and government contracts in  
24 an accessible format can foster competition, leading  
25 to more efficient use of State money.

1           • And transparency allows citizens to track  
2 how successful government initiatives are and  
3 critically evaluate performance results for  
4 individual expenditures.

5           Rather than partisan rhetoric, political  
6 gamesmanship, and closed-door negotiations,  
7 Pennsylvanians deserve an open budget process. It is  
8 time lawmakers let the taxpayers know how their money  
9 is being spent.

10           Thank you for the opportunity to offer our  
11 thoughts on this issue. We look forward to taking  
12 any questions you may have.

13           CHAIRMAN SAYLOR: Representative Rapp.

14           REPRESENTATIVE RAPP: Thank you,  
15 Mr. Chairman.

16           Thank you, Elizabeth.

17           Nathan, glad to have you here. We're not  
18 going to kick you out of this meeting today, from  
19 what I see.

20           Elizabeth, in your testimony you talked  
21 about the program, and I'm only going to talk  
22 specifically the "Economic Advancement" in the  
23 Department of Community and Economic Development.

24           When you have taken a look at Websites in  
25 other States, would that be broken down specifically

1 to each program so that taxpayers could see? I mean,  
2 because we don't -- and you're correct in your  
3 analysis here. Many times as Legislators, we ask  
4 questions about, well, what is that program? We  
5 ourselves don't always get a very good answer or the  
6 information on what exactly that line item is and  
7 where that money is spent.

8 So in other States, could you tell me, would  
9 that be broken down by each project so the taxpayers  
10 and Legislators could see exactly what that line item  
11 is and where that money is going?

12 MS. BRYAN: It obviously depends on the  
13 State, but I know in some States they break it down  
14 by agency, so it is not broken down necessarily by  
15 line item. It depends on which State you are looking  
16 at.

17 What we would advocate is having line items  
18 that actually mean something instead of just an  
19 umbrella that may have three or four different  
20 programs where funding is funneled through for that  
21 one line item, and so then the line item itself  
22 doesn't tell you anything about what the funding is  
23 actually going towards.

24 REPRESENTATIVE RAPP: So it is basically  
25 set up according to the individual Website how each

1 line item is broken down, so that if our State wanted  
2 to look at that specific item, that could be broken  
3 down so the taxpayers and Legislators and staff could  
4 see exactly where that \$17 million is going---

5 MS. BRYAN: Sure.

6 REPRESENTATIVE RAPP: ---instead of just  
7 \$17 million for economic advancement, which means  
8 nothing to Legislators as well as taxpayers.

9 MS. BRYAN: Correct.

10 MR. BENEFIELD: I believe the Kansas site,  
11 the KanView that they talked about, there are several  
12 different ways to search it. But one of them is to  
13 go through the budget and do the department and then  
14 the line item, and then click on the line item and  
15 see exactly the specifics of where that line item  
16 goes.

17 REPRESENTATIVE RAPP: Okay.

18 I really appreciate your whole analysis of  
19 this, because it is very frustrating to lawmakers as  
20 we go through the budget line item by line item when  
21 we receive it from the Governor, and many times, you  
22 know, we ask our staff and the Administration, what  
23 exactly is this and what kinds of projects is this  
24 going for? And we have also received some very vague  
25 answers.

1           So I'm hoping that if Representative  
2 Christiana's legislation does pass, and if we are  
3 able to develop a Website for the State of  
4 Pennsylvania, that that Website is as transparent as  
5 possible.

6           So I'm hoping that the Policy Committee and  
7 Legislators will see to it that that is actually an  
8 outcome, because I think that is the outcome that I  
9 would be looking for.

10           Thank you very much for being here.

11           MS. BRYAN: No problem.

12           CHAIRMAN SAYLOR: Other questions?

13           REPRESENTATIVE CHRISTIANA: Yes, Chairman.

14           CHAIRMAN SAYLOR: Representative Christiana.

15           REPRESENTATIVE CHRISTIANA: Thank you both  
16 for being here. I greatly appreciate all your help  
17 to make today happen as well and being a part of it.

18           There has been the argument from the  
19 Administration, specifically his spokesman,  
20 Chuck Ardo, that he felt that this was a great idea  
21 and this was the right thing to do, and then a couple  
22 weeks later he said that the information is already  
23 out there and there is no need for it.

24           Can you comment on the information that is  
25 actually out there and how tangible it really is to

1 rank and file and if it is adequate or even close to  
2 being adequate?

3 MS. BRYAN: Well, just from our experience,  
4 I would say if people whose job is to research the  
5 budget and figure out what is in there can't find the  
6 information they need, taxpayers are never going to  
7 be able to find anything that would actually help  
8 them in their inquiries.

9 So I would say, as the Representative from  
10 Kansas said, it may be out there, but we can't find  
11 it.

12 REPRESENTATIVE CHRISTIANA: Okay.

13 And my second question is, I think it's very  
14 telling the way that Pennsylvania spends money. When  
15 you look at 20 States that have implemented databases  
16 and the most expensive was \$310,000, and you have  
17 talked about the Contracts hub that Pennsylvania  
18 already has in place, which has lots of holes, it  
19 doesn't come close to what KanView and Missouri  
20 accomplishes, yet ours costs over \$400,000 for not  
21 even half the job.

22 I find it, you know, I find it rather  
23 upsetting that we are spending that much and for that  
24 much we could have done the full scale, got it  
25 completely done, and taxpayers in the western part of

1 the State could go onto their BlackBerries and get  
2 the information.

3 So do you feel that the current Contracts  
4 hub is close to doing the job that we really do need?

5 MR. BENEFIELD: I mean, I would say no.

6 I mean, just kind of telling a story on an  
7 experience, that number, someone asked for how much  
8 the Contracts Library cost to build, and they asked  
9 me to try and find it.

10 So I actually started with an open records  
11 request to the Treasury Department, and they told me,  
12 well, it is on our Contracts Library so we are not  
13 going to send it through the open records request.

14 So I did a search on the Treasury site, and  
15 the only information I knew was that it was in the  
16 Treasury. So I did a search for all contracts in the  
17 Treasury and found, you know, a few hundred of those.  
18 I had to browse through them, you know, one by one  
19 until I finally found the contract to build the  
20 Website.

21 So that is not very user-friendly to me.  
22 And, you know, obviously, since I'm a researcher, I  
23 get paid to do that browser site. But if I were an  
24 average citizen wanting to find out that information,  
25 I would give up and be like, you know, I'm done with

1 it.

2 REPRESENTATIVE CHRISTIANA: So you went on  
3 the site---

4 MR. BENEFIELD: Yes.

5 REPRESENTATIVE CHRISTIANA: ---to see how  
6 much the site cost, and it took you hours.

7 MR. BENEFIELD: It took hours, yeah.

8 REPRESENTATIVE CHRISTIANA: My goodness.

9 Okay. Thank you.

10 CHAIRMAN SAYLOR: Representative Gabler.

11 REPRESENTATIVE GABLER: Thank you very much,  
12 Mr. Chairman.

13 And I kind of wanted to tie your perspective  
14 together with Representative Kelley's perspective  
15 from Kansas, and one thing I think is so illuminating  
16 and so ironic, really, is that it is mentioned, and  
17 really the crux of this idea of something like  
18 PennWATCH or KanView is the fact that when government  
19 is observed in a transparent way, it will act  
20 differently.

21 And the thing that is so ironic about that  
22 is the Senate vote she spoke about in Kansas. When  
23 they did a voice vote, it failed, but when you asked  
24 the Senators to go on the record about it, they  
25 realized that of course they need to do the right

1 thing. And it's so ironic that it was this type of  
2 legislation that that happened on. It just  
3 underscores the point of the legislation.

4 And one thing I would like to call attention  
5 to is that on the PennWATCH legislation, House Bill  
6 1460, there are 91 cosponsors. So we have got  
7 91 people who so far are on the record saying let's  
8 go this direction, and we are only, you know,  
9 essentially 11 people from having a majority on  
10 there. But of course the big hurdle to pass is to  
11 get the House leadership, you know, to be able to  
12 actually bring this up to at least get it through the  
13 House.

14 So I guess the thing where I think the  
15 Commonwealth Foundation can really be helpful is, for  
16 one thing, you have helped to research and to put the  
17 facts together as far as what is deficient about  
18 Pennsylvania, and I thank you for that, Nate. I  
19 think your perspective on that was, you know, in your  
20 own experience in trying to find the cost, very  
21 illuminating.

22 But also then I think that the next step is  
23 that the Commonwealth Foundation often does an  
24 excellent job of putting the word out to the State of  
25 Pennsylvania about what needs to be done to fix

1 things, and in this case, I think the Commonwealth  
2 Foundation could help to put some light on who are  
3 the Legislators that are not allowing this to see the  
4 light of day?

5 I sit on the State Government Committee, and  
6 I really hope to have the opportunity to vote this  
7 bill out of committee. And so I hope that the  
8 Chairman of State Government will be able to bring  
9 this up, and I hope that the House leadership on the  
10 majority side will be willing to call this to the  
11 floor and let's vote this out.

12 So I just wanted to -- I guess it wasn't so  
13 much of a question as it is my encouragement of you  
14 to continue what you're doing, and let's take the  
15 next step and let's go to the public with this and  
16 let's make it happen.

17 So thank you very much.

18 MR. BENEFIELD: Well, piggybacking on that,  
19 I think the ideas that have been floated about on how  
20 it is too expensive to do or that the information is  
21 already available are simply arguments used by some  
22 people who, you know, as Mr. Martin and  
23 Representative Kelley testified to, that might be  
24 embarrassed by some of the things that would be  
25 revealed by raising that.

1           No one would publicly say that, you know, I  
2 don't want the public to know this information, you  
3 know, know where their spending is going, but they  
4 will use these other arguments.

5           So I think undermining those criticisms of  
6 spending transparency is critical. And I think, you  
7 know, in that line of, you know, that you might be  
8 embarrassed, I think that's a great thing. Not  
9 because I want to embarrass lawmakers or embarrass  
10 bureaucrats, but I think that every time lawmakers  
11 are considering a spending vote or, you know,  
12 government agencies are considering a contract, they  
13 should think, will I be embarrassed if everyone knows  
14 about this? And if they would be embarrassed, they  
15 shouldn't do it, and I think that is what we need to  
16 move towards.

17           MS. BRYAN: For example, I would add that if  
18 we had had transparency, the contract for the  
19 database on the Treasury site probably wouldn't have  
20 cost as much as it did.

21           CHAIRMAN SAYLOR: Okay.

22           A question I have for you, Mr. Benefield,  
23 is, any comments on the openness of the Cabinet  
24 meeting yesterday and our transparency there  
25 yesterday?

1           MR. BENEFIELD: Well, I mean, the open  
2 meetings law, the Sunshine Law, basically says  
3 Cabinet meetings are open meetings, and we tried to  
4 go in and we were promptly escorted out and told to  
5 leave; it's a closed meeting.

6           And then a few members of the media were  
7 allowed to stay, and it was according to the  
8 Governor's good graces, are basically the  
9 justification for that.

10           So obviously we think that those sorts of  
11 meetings where policy is being deliberated should be  
12 open to the public so that they can kind of find out  
13 what is being discussed behind closed doors.

14           CHAIRMAN SAYLOR: Okay. Very good.

15           Thank you very much for your testimony  
16 today, and we look forward to working with you.

17           MS. BRYAN: Okay. Thank you.

18           CHAIRMAN SAYLOR: Our next testifier -- I'm  
19 actually going to read kind of her whole résumé,  
20 because I was impressed with it when I read it -- is  
21 Terry Mutchler. Terry, am I correct?

22           She's the Executive Director of the  
23 Pennsylvania Office of Open Records. And Terry is a  
24 lawyer and a former journalist. She was appointed by  
25 Governor Ed Rendell to a 6-year term in April.

1           And previously, Ms. Mutchler served as  
2 Illinois' first Public Access Counselor to enforce  
3 the State's Sunshine Laws and also served as a  
4 Senior Advisor to the Attorney General.

5           In addition, she has previously worked at a  
6 large Chicago law firm in its media law group and  
7 appellate practice group.

8           She is a former law clerk for a retired  
9 Chief Justice of the Illinois Supreme Court and also  
10 a clerk for the Executive Office of the President  
11 during the Clinton Administration, focusing on  
12 privacy issues.

13           Before becoming an attorney, Ms. Mutchler  
14 was an investigative journalist for the Associated  
15 Press in Pennsylvania, New Jersey, Alaska, and  
16 Illinois, where she was the first woman appointed as  
17 Statehouse Correspondent.

18           She later served as a Senior Advisor for the  
19 late Illinois Senate Minority Whip, Penny Severns.

20           Ms. Mutchler received her B.A. from the  
21 Pennsylvania State University -- a great school --  
22 and her J.D. from the John Marshall School of Law in  
23 Chicago.

24           You have got New Jersey, Pennsylvania,  
25 Illinois. How did you get Alaska?

1           Welcome, Terry, and you can proceed with  
2 your testimony at any time.

3           EXECUTIVE DIRECTOR MUTCHLER: Well, I have  
4 decided, Mr. Chairman, that Alaska is probably even  
5 in some ways warmer than Chicago. So I don't know  
6 how all that happened, but there it was.

7           Thank you for the opportunity to come and  
8 testify before you today.

9           The Deputy Director, Barry Fox, also joins  
10 us today, and we come in support of House Bill 1460.  
11 I think that any time you have an opportunity to  
12 provide transparency in government for citizens,  
13 particularly at a time of such fiscal crisis in the  
14 Commonwealth, I think it's a good thing.

15           I also come to convey one concern that I  
16 have, and that is that I think that the timeframe of  
17 having this up by August 31 is something that I would  
18 offer a caution about.

19           Certainly if it can be done well and the  
20 appropriate funding can be provided to do it well, I  
21 think that's great. But I would rather have it be  
22 delayed a little bit to make sure that it's done  
23 right and that it's properly funded as opposed to  
24 rushing with the goal of just kind of waving the  
25 transparency flag and then having problems that we

1 are going to end up having to clean up much later  
2 down the road.

3           So I think that, you know, with that, I  
4 think that right now we have what is on the  
5 Treasurer's Website. I think that what I have read  
6 of this legislation with PennWATCH is good. We  
7 support it, but I just offer that one caution, and  
8 that is basically our pitch to you today.

9           Unless you want to talk about the budget.

10           CHAIRMAN SAYLOR: I talked about that this  
11 morning. We're always interested in talking about  
12 the budget. We would like to just get it done.

13           Representative Christiana.

14           REPRESENTATIVE CHRISTIANA: Thank you.

15           Thank you, Terry, for being here, and Barry  
16 also for being here.

17           I agree with you; I would rather do it  
18 correctly. And when we started putting this together  
19 August 31, it seemed like it was reasonable.

20           EXECUTIVE DIRECTOR MUTCHLER: Sure.

21           REPRESENTATIVE CHRISTIANA: And now as it  
22 sat in committee for weeks on end, it is probably not  
23 very reasonable right now.

24           So I agree with you that we should file an  
25 amendment to correct that.

1           My question to you is, do you get a  
2 significant amount of requests that if this PennWATCH  
3 were on line that you would be able to just send them  
4 to a site and make life a lot easier and ultimately  
5 save costs with open records requests?

6           EXECUTIVE DIRECTOR MUTCHLER: I do think  
7 that -- yes, is the short answer. I think that the  
8 more people put on Websites, the more agencies,  
9 whether local or State, have on a Website, it does  
10 reduce the amount of right-to-know requests for an  
11 agency and for a local agency.

12           And it even not only reduces it, but when  
13 you receive a written request, you are able to  
14 respond by saying "This is on our Website." And I do  
15 think that there is a significant benefit to that.

16           The more information I tell this to, as we  
17 have gone around the State doing 200 trainings on the  
18 Right-to-Know Law, one of the things that we have  
19 direct, you know, example evidence of, not just  
20 anecdotal evidence, is the more you put on a Website,  
21 the less right-to-know requests you get, because most  
22 people go to the Website first.

23           And so the answer to your question is yes.

24           REPRESENTATIVE CHRISTIANA: Okay.

25           That is all I have for now, Mr. Chairman.

1 Thank you.

2 CHAIRMAN SAYLOR: Representative Rapp.

3 REPRESENTATIVE RAPP: Thank you,

4 Mr. Chairman.

5 Madam Director, it's basically a follow-up  
6 to Representative Christiana.

7 Can you tell us as of today how many  
8 requests you have had for open records?

9 I know I have had constituents, and you have  
10 been very good about responding---

11 EXECUTIVE DIRECTOR MUTCHLER: Well, thanks.

12 REPRESENTATIVE RAPP: ---but the paperwork  
13 is, you know, it is---

14 EXECUTIVE DIRECTOR MUTCHLER: It is  
15 significant, Representative, and as of today, we have  
16 over 500 appeals to the Office of Open Records.

17 REPRESENTATIVE RAPP: Wow.

18 EXECUTIVE DIRECTOR MUTCHLER: So what that  
19 means is that there have been 500 instances around  
20 the Commonwealth, whether at the State or the local  
21 level, in which a citizen -- and they are primarily  
22 citizens -- have been denied access to records, and  
23 the appeals come to our office.

24 So I think it is actually 519, to be  
25 precise, as of today. And, you know, with five

1 lawyers turning this stuff over, you can do the math  
2 there. We have a very significant workload.

3 REPRESENTATIVE RAPP: So if, as you said, if  
4 this information was readily available, it's going to  
5 save your office time and money.

6 EXECUTIVE DIRECTOR MUTCHLER: I agree with  
7 that. I do think it will.

8 I think more importantly but not less so  
9 significantly to us, it's going to save the local and  
10 the State agencies -- well, in this case, the State  
11 agencies, because when those requests come in, it is  
12 a lot easier to say, hey, will you go to our Website?

13 Now, as you know, the Right-to-Know Law says  
14 that if a citizen doesn't want to do that and they  
15 want the information on paper, you are required to do  
16 that. But most -- most -- reasonable citizens will  
17 be like, okay, we'll take this. So I think you'll  
18 see a cost savings in the sense of time at the State  
19 level and also particularly for our office in that  
20 regard.

21 But, you know, let's also be fair here in  
22 this regard. There are some folks that are never  
23 going to be satisfied, no matter how much information  
24 you give them, and we will always deal with that type  
25 of request and therefore appeal.

1           But I think that you will see -- I would  
2 even estimate that you could see a drop as much as  
3 30 percent in right-to-know requests at the State  
4 level if the information were available on a  
5 Website.

6           REPRESENTATIVE RAPP: Thank you.

7           And I do want to thank you for your  
8 promptness of my constituents who have notified me,  
9 and I have given them, you know, a letter to contact  
10 you, and you have been very prompt, and I appreciate  
11 that.

12           EXECUTIVE DIRECTOR MUTCHLER: Well, thank  
13 you.

14           REPRESENTATIVE RAPP: Thank you for your  
15 testimony.

16           CHAIRMAN SAYLOR: Representative Christiana  
17 again.

18           REPRESENTATIVE CHRISTIANA: What is the  
19 State appropriation for Open Records?

20           EXECUTIVE DIRECTOR MUTCHLER: Right now,  
21 this past year, it has been \$1.01 million. We have  
22 asked for \$1.342 -- see, this is why the budget guy  
23 is here -- \$1.342.

24           Senate Bill 850 would significantly cut  
25 that, as you know. It would be cut by about

1 \$337,000, and candidly, I don't see how the office  
2 could sustain that.

3 I recognize the very deep fiscal situation  
4 that the State is in, but one of the unique -- I'm  
5 sure every agency wants to distinguish themselves,  
6 but the reality is, we are just in our infancy and we  
7 don't have the luxury of knowing how to sustain those  
8 types of cuts, where to cut corners, where not to,  
9 particularly when we have such strict deadlines in  
10 the law.

11 The law does not permit the Office of Open  
12 Records to set its own schedule. The law set the  
13 schedule at issuing a final determination in those  
14 500 appeals within 30 days. And so the only way that  
15 we can get an extension to alleviate our workload is  
16 to go to the requester and say, would you be willing?  
17 Most aren't. Some are; most aren't.

18 So, you know, for us, particularly  
19 dovetailed with the requirement in the law that we go  
20 out and train, which we find to be very helpful and  
21 successful also in reducing right-to-know requests,  
22 it would be a very difficult cut to sustain and to be  
23 able to meet the legislative intent, we believe, of  
24 this law.

25 REPRESENTATIVE CHRISTIANA: Thank you.

1           CHAIRMAN SAYLOR: Madam Director, I guess my  
2 question is, in 500 appeals, have you seen in these  
3 appeals processes what I call no-brainers?

4           In other words, where some agencies are just  
5 -- it is very obvious they should turn the records  
6 over, that you are wasting time on some of these  
7 things -- out of curiosity, since I have you here  
8 today -- or is it seriously some things that maybe  
9 are, you know, on that gray area?

10           EXECUTIVE DIRECTOR MUTCHLER: There are many  
11 that are in the gray area. There are many difficult  
12 issues that come up.

13           Some, yes, are no-brainers, to be candid  
14 with you, you know, where we have situations where a  
15 requester has asked for a copy of salary, as simple  
16 as salary, and the law is used in such a way that  
17 says, well, salary is part of the personnel file;  
18 personnel is exempt, and therefore, we are exempting  
19 this. That is a little frustrating in that regard.

20           Equally as frustrating is when we have a  
21 citizen who will come and they will file a request --  
22 and we have had this example happen to us -- and we  
23 go through, you know, 40, 50 hours, candidly, of  
24 trying to work out whatever, and then the requester  
25 at the end has said to us, you know, I already have

1 these records; I just wanted to see if the agency was  
2 basically being honest.

3 And so what it draws me to is this  
4 conclusion, both in my experience here and in  
5 Illinois: There are less than sane people on both  
6 sides of the open government equation.

7 On one hand you have citizens and members of  
8 the media who are convinced that we are all criminals  
9 and that you could give them the key to your filing  
10 cabinet, and quite candidly, they will still think  
11 you are holding something back.

12 On the flip side of that extreme equation is  
13 that you have public officials who sometimes don't  
14 like the public and they don't want the public  
15 interested in finding out what is going on in their  
16 government.

17 The Office of Open Records has pledged  
18 itself to stand in that breach, to try to get away  
19 from the extremes and to apply a commonsense,  
20 middle-of-the-road application here.

21 So while we see no-brainers on either side,  
22 but also in fairness, with the new law, you know, if  
23 I'm the city clerk and I get a right-to-know request,  
24 I'm panicked. I'm thinking, you know, I don't want  
25 to lose my job if I do something wrong here. So I

1 think some of that reluctance is a natural reluctance  
2 that comes with this.

3           So our hope and goal and mission is to go  
4 out and train people so that they understand what  
5 they have to do. Yeah, we do get -- what was the  
6 one, the fellow that wanted to know about the monkeys  
7 in the zoo? What was that? It was a woman. I can't  
8 -- I mean, we have had some very hilarious requests  
9 in this regard as well.

10           We do see extremes. But the law, as I tell  
11 people, is not written for the extremes; it is  
12 written for the citizen that wants to get access to  
13 their government.

14           CHAIRMAN SAYLOR: I mean, I have heard one  
15 or two reports of individuals who just don't like  
16 something that happened to them in their particular  
17 township, so they are just going in and being  
18 vindictive and asking for everything that they can  
19 possibly get.

20           EXECUTIVE DIRECTOR MUTCHLER: Yes.

21           CHAIRMAN SAYLOR: Which I think is rather  
22 expensive, but apparently the person isn't concerned  
23 about the money. He wants to be more of, I'm going  
24 to, for a better word, I'm going to say just a pain.

25           EXECUTIVE DIRECTOR MUTCHLER: Yes.

1           CHAIRMAN SAYLOR: He just wants to stir up  
2 trouble rather than really trying to find out  
3 information. Most of the information he probably  
4 already knows as well.

5           And it's a shame, because some of these  
6 townships who do not have large staffs in  
7 particular---

8           EXECUTIVE DIRECTOR MUTCHLER: Right.

9           CHAIRMAN SAYLOR: ---even those that may  
10 have larger staffs are constantly spending a lot of  
11 money with staff being dedicated to making records  
12 available.

13           While I'm a real believer in openness in  
14 government, I think when you open government up, not  
15 only do you get better government but you get, as  
16 Representative Kelley talked about, you get people  
17 who look and scrutinize before they spend a dollar  
18 because they know that the public is looking at  
19 it.

20           EXECUTIVE DIRECTOR MUTCHLER: Right.

21           CHAIRMAN SAYLOR: But it is also a shame  
22 that other people abuse the system just to try and be  
23 a pain to cost government more time and problems.

24           EXECUTIVE DIRECTOR MUTCHLER: You know, I  
25 share that view. I candidly have found citizens that

1 use this law to harass public officials.

2 CHAIRMAN SAYLOR: Right.

3 EXECUTIVE DIRECTOR MUTCHLER: But I also  
4 have to say in that regard that it is a minority.

5 CHAIRMAN SAYLOR: It is.

6 EXECUTIVE DIRECTOR MUTCHLER: The  
7 unfortunate part is, there is one in every county.  
8 So, you know, that one person is what I think  
9 draws the extreme reaction: No, you're not getting  
10 this.

11 But it does exist, and that is a reality,  
12 and it is one that, you know, we at the Office of  
13 Open Records have -- you know, candidly, I will just  
14 call the citizen and say, I'm for open government,  
15 too; you're not going to get a better open government  
16 advocate, but what is it that you want so we can  
17 solve this?

18 Because agencies, State and local, have a  
19 lot to do with a lot less, and we have to try to  
20 make that work. But you're right; I mean, that  
21 happens.

22 CHAIRMAN SAYLOR: Well, and I think some of  
23 this, Representative Christiana's legislation I think  
24 in the end will, as we talk about it, really cut a  
25 lot of these requests down for sunshine, for

1 documents and stuff, because I think once this stuff  
2 becomes public, the public also will feel less  
3 scrutinized.

4           And also I think there will be -- how do I  
5 want to say it -- pressure on those who want to be  
6 just a pain to back off, because I think then people  
7 are going to feel that they have honest government  
8 once they get to see that there is transparency there  
9 and there are not any transactions going on.

10           EXECUTIVE DIRECTOR MUTCHLER: Yes.

11           CHAIRMAN SAYLOR: So I'm hopeful that we can  
12 at some point here move Representative Christiana's  
13 bill to the floor and through the House and Senate to  
14 the Governor's desk, because I do think it would be a  
15 big plus for you and it would help lessen your  
16 burden.

17           EXECUTIVE DIRECTOR MUTCHLER: We're always  
18 open to that.

19           CHAIRMAN SAYLOR: And I think today, in  
20 today's world, there also is a lot of disappointment  
21 in government. We constantly are seeing things  
22 happening in government that just is not and should  
23 not be happening and, I think because of that,  
24 sometimes paints everybody with a broad brush, that  
25 everybody in government is corrupt.

1           And as I tell people, 99.9 percent of the  
2 people who are in government do really care. We may  
3 have differences on issues sometimes on one side or  
4 the other, but the truth of the matter is, many, many  
5 people are very honest and try to do the best they  
6 can for the people they represent.

7           Well, thank you for coming today.

8           EXECUTIVE DIRECTOR MUTCHLER: It's our  
9 pleasure. If we can do anything, let us know.

10          CHAIRMAN SAYLOR: Thank you.

11          Any closing comment?

12          Representative Christiana.

13          REPRESENTATIVE CHRISTIANA: Thank you,  
14 Chairman.

15          I would first like to thank my colleagues  
16 for being here today. It does mean a lot, and the  
17 91 cosponsors that my colleague mentioned also means  
18 a lot.

19          I think today we found out that there's an  
20 obvious movement across this country to empower  
21 taxpayers, to empower residents sitting at their  
22 homes, to be able to find where their tax dollars are  
23 going.

24          At a time where in Pennsylvania we have a  
25 Governor that wants to take more money out of the

1 paychecks, before we even think about raising taxes,  
2 we should be doing everything we possibly can to find  
3 out if government is being as efficient and  
4 responsible as possible.

5           So I invite the Governor to join this  
6 movement and to work with us, Republicans and  
7 Democrats, to see that this happens so that we can  
8 find out, rank-and-file members, residents, watchdog  
9 groups, to find out where the tax dollars are going  
10 and we are being as responsible as possible.

11           Today I was shocked to find out that every  
12 other State, especially from the two we have heard,  
13 they have the same objections that we have heard from  
14 our opposition.

15           The Senate Democrats have said that this  
16 will cost \$7 million. Well, that is exactly what has  
17 happened in these other States, and thanks to their  
18 testimony today and to the other testimony, you know,  
19 the average site costs \$140,000 and the most  
20 expensive is \$310,000. So that objection, I feel, is  
21 unwarranted.

22           And the second is that the information is  
23 out there. This same argument has been made by this  
24 Administration and has been made in other States by  
25 people just trying to stall the process, and I'm glad

1 to hear today that that objection is unwarranted as  
2 well.

3 So I think we made a huge stride today. I  
4 can't thank you enough, Chairman and your staff, for  
5 allowing the taxpayers and the members of this  
6 committee to have this testimony.

7 And I think we are one step closer to  
8 restoring some trust in this Commonwealth. So thank  
9 you.

10 CHAIRMAN SAYLOR: Thank you.

11 I want to also thank you, Representative  
12 Christiana, for presenting this bill. I think we  
13 need more innovation in government and the  
14 transparency we have already talked about.

15 We have 91 sponsors on this piece of  
16 legislation, which is tremendous: 83 Republicans and  
17 9 Democrats. And hopefully we will be able to get  
18 more Democrats involved and supportive of this  
19 legislation, because it is something that I think  
20 truly will help us also, to a certain degree, prevent  
21 the things that are happening in Pennsylvania right  
22 now with our State budget, because I think once there  
23 is more openness and an understanding of what is  
24 going on and what is in our budget, the easier it  
25 will be to pass a budget on time.

1                   So I thank everybody for coming today.

2 Thank you.

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4                   (The hearing concluded at 10:53 p.m.)

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1           I hereby certify that the proceedings and  
2 evidence are contained fully and accurately in the  
3 notes taken by me on the within proceedings and that  
4 this is a correct transcript of the same.

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Debra B. Miller, Reporter

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