



National Association of State Auditors, Comptrollers and Treasurers

July 5, 2006

The Honorable Tom Coburn
United States Senate
Washington, DC 20510

Dear Senator Coburn:

On behalf of the National Association of State Auditors, Comptrollers and Treasurers (NASACT), I am writing to express our concern with the Federal Funding Accountability and Transparency Act of 2006 (S 2590). The legislation, as currently drafted, could impose significant costs and burdens on state and local governments; we are therefore requesting further clarification of the drafted language.

While NASACT fully supports the intent of S 2590 to promote accountability and transparency of federal funding, we believe the well-intentioned legislation is drafted in such a manner that could be construed as imposing unintended consequences on state and local governments. The current language requires that the U.S. Office of Management and Budget ensure the existence and operation of a single, up-to-date and searchable Web site. The legislation does not, however, define who will be responsible for establishing, populating and updating the site or who will gather the requested information. Additionally, Sec. 2(1)(C) of the act requires that the database include "an itemized breakdown of transactions, including funding agency, program source, and description of the purpose of each funding action." It is unclear whether the requirement would require disclosure beyond general grant information already gathered through existing processes. Additional disclosure would likely require costly new systems to capture this new data.

Furthermore, NASACT is very concerned about the inclusion of information on sub-grantees in the act. Including sub-grantees in the legislation would require a whole new reporting scheme that could include payments transferred by a federal agency to a state or local government, department, agency, public authority or establishment (including not-for-profits) which may not necessarily represent the end recipient of the assistance provided through the federal program. The only way to capture and report this type of information would be to receive reportable data directly from a state or local government. It is important to note that much of the required information is not currently accumulated (e.g., Congressional district) and would potentially impose a huge and very, very costly burden for state and local governments, as funds are passed through multiple levels and have multiple sub-grantees.

It may be beneficial to consider information contained in the existing U.S. Census Bureau's Single Audit Clearinghouse. The clearinghouse is a database of grant information containing data on which dollars went where including information on sub-grantees. Although the information is gathered subsequent to grant distribution and not available for many months, the database may be able to provide some of the information you are seeking through additional sorting and data manipulation.

We are mindful of the desire for accountable and transparent processes and are supportive of the intent of S 2590. We do however request that the current language be amended to achieve the desire intent without imposing unintended hardship on state and local governments. Please contact Cornelia Chebinou, NASACT's Washington director, at (202) 624-5451 to discuss how NASACT may be of assistance in addressing these issues.

Sincerely,

R. Thomas Wagner, Jr.
President, NASACT
Auditor of Accounts, Delaware

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